

Mobilization—Two Years or Twenty?

20

# *The* Reporter

July 10, 1951 25c

Charles E. Wilson





Battlefield scenes from the price war in New York





## THE REPORTER'S NOTES

### THE HAUNTING TUNE

At long last, the great bomb has exploded: Senator McCarthy has issued his sixty thousand words denouncing for all eternity what he calls "the great conspiracy." The object of this conspiracy, he says, is "to diminish the U.S. in world affairs, to weaken us militarily . . . and to impair our will to resist evil. To what end? To the end that we shall be contained, frustrated, and finally fall victim to Soviet intrigue from within and Russian military might from without." He named the great conspirator: "Unless we understand the record of Marshall it will be impossible to even remotely grasp the planned, steady retreat from victory which commenced long before World War II ended." Marshall and, of course, Acheson are not the only villains: Eisenhower too gets his ribbing, and his mission to Europe is called "the diversionary trick of a carnival prestidigitator."

IT'S A formidable, puzzling thing, this McCarthy speech. Why did he aim it at Marshall—a man whose unselfish devotion to the country may have been equaled by a few in our history but is excelled by none? For Marshall, patriotism, rather than a virtue, is a mode of life, and his service is beyond praise for he would not know how to act otherwise.

Yet these words are to be found in the *Congressional Record* about George Marshall: "How can a man whose every important act for years had contributed to the prosperity of the enemy reverse himself?"

Perhaps the purpose of this big compilation is to save the Senator the trouble of further research. In fact, a few days after the speech McCarthy himself boiled it down drastically and told it to the Marines.

We must confess that this big chunk of closely printed pages casts a sort of strange spell over us. The reasoning that goes through it is obsessing, like a haunting tune that we may dislike or even hate and yet find ourselves whistling in off-guard moments. Marshall guided the military efforts of the nation during the last war, and at the end of the war Russia was the greatest land power in the world. *Therefore . . .* Marshall went to China to unite the country, and look who is ruling a united China. *Therefore . . .* The *therefore* is the key of the tune.

WE TURN OUR thoughts to McCarthy's own party, which some day, if the two-party system is to survive, should win a Presidential election. How come it shows its power in off-year elections, and then when a President has to be elected, falls down? Who is responsible for these "retreats from victory"? Something must be radically wrong with the leadership—an idea that people like Colonel McCormick have entertained for a long time. The Republican Party has drawn up various programs and has tried out different types of Presidential candidates, but the result has been that since 1932 a normally Republican nation goes Democratic one day every four years. *Therefore . . .*

Never, in all these twenty years, has the Republican Party been so successful in stirring up restlessness in the nation as these last twelve or fifteen months, since McCarthy's own speech at Wheeling, West Virginia. And now look—we come to think—he goes all out to attack, not a few comparatively obscure people, not a varying number (205 or 57 or 81) of State Department Communists, but George Marshall and that "carnival prestidigitator," Eisenhower. If this new McCarthy campaign goes on and acquires momen-

tum, the revulsion in the country will be so powerful that any man the Democrats care to nominate will be elected President in '52. *Therefore . . .*

Can all these retreats from victory be just accidental? Chairman Boyle of the Democratic National Committee must be feeling like a million dollars.

*Therefore . . .* Truly, it's a devilish tune.

### FORCE NO. 4

The most surprising thing about the French election is the emergence of the Fourth Force. Over here, we would call it the mugwumps. Generally oriented toward the Right, the leaders of this miscellaneous collection of small parties have been sitting on the fence, playing their lonely game, trying to realize the greatest aspiration of a party that is, and wants to stay, small: Holding the balance of power. This seems to be an international trend, made possible by the stalemate or near-stalemate of major parties. De Valera again became Prime Minister of Eire when a few "Independents" went to his side. In our country, the dream of the Dixiecrats was and perhaps still is the same: To hold some day the balance of power. In New York City, the American Labor and now the Liberal Party have been playing this game with varying fortunes for years.

It is a curious new system for hitting the jackpot of politics, and it sometimes gives great influence to men or groups with no large mass appeal.

Unfortunately, in the case of France, the leaders of the Fourth Force include some remnants of the Third Republic whose names evoke sad memories: People like Daladier or Reynaud who held power when France fell. Democracies have never been particularly good at burying their dead. #



# CORRESPONDENCE

## U.S. PROPAGANDA—IF ANY

**To the Editor:** The failure to stop Communism in Europe is largely due to the failure of American propaganda (if there is any). In order to win the battle for democracy in Europe, it is necessary to gain the support of the working class through propaganda resembling that of the Soviets. Such propaganda should appeal to the emotions of the people, not to their reason, for there is no reason where there is misery. One must understand that the strength of Communism in Europe is in direct proportion to the prevailing confusion.

This is to say that the best way to fight a fire is to light another fire. We write to you as foreign students, from Yugoslavia and France respectively.

MATTHEW M. MESTROVIC  
WILLIAM DE BAZELAIRE  
Syracuse, New York

## OUR TRIBE

**To the Editor:** I am only one among many at the Yale Divinity School who have found your magazine to be the answer to our problem of finding a periodical that can do something more responsible than wisecrack about the news.

As to many an individual who cannot afford several hours daily to track down the meaning of the events around us, it has been a real boon to me to be able to find intelligent critical analysis in your magazine. The newspapers give the facts, but are hardly adequate as interpretive media; most news magazines have a blinding conservative bias, or are so determined to maintain circulation that they will not tread on anyone's toes; there are only a few reliable commentators on the air; and *The Reporter* is one force for leavening the lump of the mass communications media. More power to you, and may your tribe increase!

RICHARD P. UNSWORTH  
New Haven, Connecticut

## INJUSTICE TO WEDEMAYER

**To the Editor:** In the May 29 issue of *The Reporter* I had an article that discussed intelligence activities in China during the last war. At its close I mentioned surprise at discovering that as late as July, 1945, the gloomy view of a protracted war still prevailed in the headquarters area in west China, despite many field reports to the contrary.

This was correct in respect to the officers I questioned, notably those recently arrived

from Washington. But it was an unintended injustice to General Wedemeyer, who had been trying to get Washington to believe the war's end was near ever since 1944.

Disregard of the true situation seems, then, to have been more the fault of Washington than that of China Theater Headquarters.

PRESTON SCHOYER  
Pittsburgh, Pennsylvania

## COMIC BOOKS

**To the Editor:** Here in our organization, Pictorial Media, Inc., we received and read with interest your article on the comic-book industry in *The Reporter* for May 15. I would like to express our appreciation for the general excellence of the article and our appreciation for the opportunity to contribute some background material to it.

I feel that you provided your readers with a clear and intelligent report on a relatively new communication form. Of course the chances are we can't "do anything," but that is the sort of literary license with which we are quite naturally sympathetic.

HARRY E. CHILDS  
New York City

## CONGRESS AND RAFTS

**To the Editor:** There is a comment in James Colwell's article "What Wedemeyer Really Said" (*The Reporter*, June 12) that interested me, because it can refer to so many things that have come up in recent years. That was in reference to the so-called suppression of the Wedemeyer report.

Every now and then some Congressman gets up and shouts that the public is being misled about this and that, and then he refers to some matter that anyone who reads or listens to the radio knew all about long ago. Not a new fact was revealed in the Pearl Harbor investigations, for instance; the facts were reported very shortly after the tragic occurrence, and yet thousands of dollars and millions of words were wasted on the investigations. The same thing is going on today.

Congressmen complain that the public expects them to be supermen and foresee things that might happen. We don't; we merely take it for granted that they are in a position to make an estimate of possibilities, and to use their common sense in regard to them; certainly not to drift with the tide and then whine that they didn't know what was going on!

The most exasperating fact about Congress today is the way it refuses to pass

legislation for long-overdue reforms: the seniority system, for example, that puts fools in charge of important committees, or gives a dull, plodding conservative the whip hand in matters that call for decisive action.

Long ago, Ralph Emerson described our system as a raft operated by quarreling amateurs, and yet it safely made its port, while the swift-sailing dictatorships crashed on the reefs after an interval of brilliant displays of seamanship. No one has bettered that description yet.

WINIFRED L. CHAPIN  
Hansville, Washington

## NAUSEATED NONPARTISAN

**To the Editor:** I have in my possession your May 29 issue of *The Reporter*, which contains three articles under the general heading "MacArthur: Past and Present." I have never read a lower, smaller, meaner way of trying to discredit a man.

No one man nor one party can be wrong all the time, nor can they be right all the time. Therefore, I try to include equally in my reading both Democratic and Republican magazines and papers. But your publication—*The Reporter*—is so nauseatingly pro-Administration that I can't stomach it.

RONALD A. GREENE, M.D.  
Laguna Beach, California

## U.M.T. AND THE PUBLIC

**To the Editor:** Writing with reference to Fred M. Hechinger's article, "Can Our Colleges Survive U.M.T.?" in the May 15 issue of *The Reporter*, I feel that the article offers an intelligent discussion and survey. But if the question of U.M.T. is again brought to Congress, our educators will be required to present their views collectively, thus strengthening their arguments.

Their debate must be directed at the average American, both student and parent. In this way the necessity of trained skill and educated manpower will appear more vital to the American public. I am certain that the man down the street feels that schools of higher learning are far more concerned with their financial plight than they are in safeguarding our educational system.

It is the responsibility of colleges and universities to meet the new requirements during this emergency by revising courses and programs immediately. The student air of uncertainty is largely due to the fact that courses of study are so vastly unrelated to the present and future needs of our youth.

EDWARD J. BENNETT  
New York City



# The Reporter

A FORTNIGHTLY OF FACTS AND IDEAS

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*in this issue . . .*

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*It has fewer apologists, probably just as many adherents*

We explore the economic strategy and tactics that limited war imposes on America—with all the variable and hotly debated elements of mobilization, controls, taxes, and foreign assistance. **Claire Neikind**, this magazine's Washington correspondent, reports on Charles Wilson's plan for economic mobilization. . . . **J. K. Galbraith**, Harvard economist and former OPA official, analyzes the four main schools of thought for defeating inflation. . . . **Helen Hill Miller**, Washington writer, comments on our foreign economic-aid program. . . . **Hans H. Landsberg**, a frequent contributor to *The Reporter*, takes up the Kem amendment, which forbids recipients of our foreign aid to do business with countries inside the Soviet orbit.

Other contributors to this issue: **Allen Raymond** has been a foreign correspondent for the New York *Herald Tribune*. . . . **Francis King** is a British novelist, whose fourth book, *The Dividing Stream*, was published recently. . . . **Robert Dall** is the pseudonym of an experienced student of Communist tactics. . . . **Blake Ehrlich** is a free-lance writer now in Europe. . . . **Ralph E. Lapp**, author of *Must We Hide?*, writes frequently for this magazine on atomic matters. . . . **Harold R. Isaacs** is the author of *No Peace for Asia*. . . . **Victor Reuther** of the United Auto Workers Union will represent the CIO at the free-union convention in Milan. . . . **Madeleine Chapsal** is a young French writer who has contributed previously to *The Reporter*. . . . Cover by **Marokvia**; photos from **Wide World**; map by **Starworth**.

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# The American Politburo

RECENTLY, in a long-awaited decision, the United States Supreme Court sealed the fate of the Communist Politburo, American branch. That pedantic imitation of the universal Moscow-made pattern is not welcome in our country, the Supreme Court said, confirming the decision of the lower courts. Every political party is a potential government, but the potential shadow government of Soviet America that seeks the overthrow of our Constitution has been declared unconstitutional. The would-be commissars are being sent to jail.

The majority opinion, written by Chief Justice Vinson, handsomely acknowledges the extraordinary cogency of the decisive point that Judge Learned Hand made when the case went before the Circuit Court of Appeals in New York. "More we cannot expect from words," Mr. Vinson said, and on his authority we may consider the opinion of Judge Hand the final voice of the American judiciary in the drawn-out affair of the eleven Communists.

In recent years the Supreme Court has adopted as its guide in similar cases the doctrine of "clear and present danger," first formulated in a dissenting opinion by Justice Holmes in 1919. "The phrase, 'clear and present danger,'" Learned Hand writes, "has come to be used as a shorthand statement of those among such mixed or compounded utterances which the [First] Amendment does not protect. Yet it is not a *vade mecum*; indeed, from its very words it could not be. It is a way to describe a penumbra of occasions, even the outskirts of which are indefinable, but within which, as is so often the case, the courts must find their way as they can. By what medium of perception, one may be allowed to ask, is a danger to be judged clear and present in our time of world civil war—the naked eye or the radar screen?

"One may reasonably think it wiser," Judge Hand adds, "to let an unhappy, bitter outcast vent his venom before any crowds he can muster and in any terms that he wishes. . . . Indeed, it is a measure of the confidence of a society in its own stability

that it suffers such fustian to go unchecked. Here [in the case of the Communist Party] we are faced with something very different." The American Politburo, no matter how puny its political power actually is, reveals itself—in its structure, in its secretiveness, in its very name—as the American branch of a universal conspiracy aimed against us. It may be helpful to have the holy text of the conspiracy translated into readable English, just as sometimes it is convenient to find in Union Square the American edition of *Pravda*. But we cannot take chances with the ringleaders of a conspiracy that, if successful, would pervert and destroy our institutions. The unmistakable international character of the American conspiracy, more than its actual strength, makes it intolerable within our borders. All political games are allowed—not that one.

In the opinion of Learned Hand, the validity of the Smith Act is restricted to this kind of conspiracy. Its words, he says, "are unconditional and forbid advocacy or teaching of such a violent overthrow at any time and by anyone, weak or strong; literally, they make criminal the fulminations of a half crazy zealot on a soap box, calling for an immediate march upon Washington." This should reassure those people who see in any such decision as this a violation of the First Amendment. There are in our country many democratic fundamentalists inclined to interpret the First Amendment as a grant of wholesale immunity to every uttered or printed statement. If these people are right, our courts can be conveniently replaced by slot machines that promptly stamp an O.K. on any contested word.

IT MUST be added that law and courts can go but a little way in correcting these evils. The law and the courts can define areas of action that are wrong or dangerous, not set the standards of what is right. They can forecast a certain type of impermissible behavior, and then certify that a particular occurrence coincides with that forecast. It's mostly a negative job—necessary but nevertheless negative.

This particular decision hits the American Politburo—the visible, somewhat pathetic and grotesque superstructure of an iceberg that now will become even more submerged. The job of counteracting Communism cannot be left entirely to the courts and the law-enforcement agencies. Democracy is best defended by setting the standards rather than by correcting the abuses of freedom.

Communism, because of its pedantic imitation of the Moscow pattern, is comparatively easy to recognize. There are other infections around, equally poisonous but not so easy to detect, for their prototype is supposed to have been destroyed by our victory in the last war. The Supreme Court has defined the left boundary of legitimate political action. The right boundary too must be guarded. #

## Convertible Mobilization

IT IS no longer enough for our economy to be sound and expanding. It is now becoming convertible—geared to shift quickly with the changing percentages of war and peace, civilian and military production. It is developing into an ambidextrous economy, and this requires considerable retraining of muscles and nervous reflexes. No wonder it hurts, and, even worse, bewilders.

The mechanism of convertibility cannot be set up with a few push buttons. An elastic limited economic mobilization for an unlimited time in its way presents difficulties at least as great as those of limited warfare. The opposing armies in the limited war we are waging are in direct physical contact, and the enemy forces are to some extent known or knowable. We can measure the percentage of war we are facing, but the percentage of mobilization has to be determined after long speculation on uncertain and unknowable elements—like the enemy's timetable of aggression or our own capacity to endure the persistent strain of a semi-war economy short of war.

Not even in their wildest dreams could Mr. Wilson or Mr. Johnston or Mr. DiSalle ever hope to become the Ridgways of the economic front—to hold the line they themselves have drawn, under the severest and most conflicting pressures, between civilian and military production, increasing national income and decreasing consumer goods.

However, no sooner had the Korean War started than we had our economic MacArthurs, who demanded a more sweeping mobilization and more stringent controls than the Administration was willing to handle.

Now the shoe is on the other foot. Many all-outers of a year ago have become exceedingly leery of wartime economic discipline. The Administration is warning Congress and the country that disaster is im-

minent if the existing controls are not renewed—that, indeed, they must be tightened. Congress cannot now maneuver the President into the embarrassing situation of last fall, for if it rejects the controls he demands, it will have to take the blame for runaway inflation.

THE Administration has drawn its line, following hunches, compromises, and quick reckonings. Yet some line between wartime and peacetime economy, between zero and one hundred, must be held and defended.

The internal conflict is over percentages, with political groups staking their claims to power, and economic interests gambling their future gains, on the expectation that the demarcation line will be shifted one way or the other. There is nothing scandalous if politicians play politics while debating on our convertible mobilization, just as there is nothing scandalous if certain economic interests watch out for themselves. This is the way a democracy works; it starts going wrong only when a particular group, political or economic, becomes too arrogant and its arrogance isn't counteracted.

If the conflict among economic and political forces is so unrelenting that no one of them becomes predominant at the expense of all others, if national solidarity is strong enough at the recurrent moments of grave risk, then our economy will become far more resilient and maneuverable than we ever thought a free economy could be. The leaders of international Communism have been forcing on it an increasing dosage of war, thinking that was the way to break it. It is here, in their favorite field of economics, that the Communist leaders will learn some day how thoroughly they have been befuddled by their own pigheaded dogmas. #



# The Reporter

A FORTNIGHTLY OF FACTS AND IDEAS

JULY 10, 1951

## Mobilization: Two Years or Twenty

*A strange wave of breezy optimism makes the task even tougher and touchier than it was to begin with*

CLAIRE NEIKIND

NOT MANY WEEKS AGO, the Washington Post and other papers carried a full-page advertisement, in behalf of fifty or so McGraw-Hill publications, which, in a few brisk paragraphs, seemed to brush away much of the confusion and anxiety in the capital. Having looked the demon of mobilization squarely in the eye, McGraw-Hill found it was not as fearsome as the Administration and Chiefs of Staff would have us believe. It chided those who suggest that we are facing a "hopelessly interminable mobilization program," on the ground, as General Omar Bradley has put it, that "the conditions under which we labor may persist for ten, fifteen or twenty years." Charles E. Wilson, it reported, has a plan for getting "over the hump of our mobilization effort" much faster. The Mobilization Director's program, it suggested, could comfortably meet all our needs for both peace and war by 1953.

The statement did not explore the Wilson Plan in detail, except to dwell on the results it would achieve. By 1953, it predicted, we would have "the weapons needed to equip an armed force of 3½ to 4 million, together with a supply of weapons for our allies; a stockpile of weapons which, with current production, would be sufficient to

carry on an all-out war for a year; the manufacturing capacity by which we could multiply rapidly our production of weapons if all-out war should come; an increase in the productive capacity of industry sufficient to resume the expansion of our civilian economy." In short, by "practical patriotism" we could shed the "strait jacket of government controls" in twenty-four months. After that, we could not only produce all the guns and butter we need, but continue our pursuit of television, automobiles, and vacuum cleaners as well.

### 'Road Map to Euphoria'

Although the idea has rarely been presented with such appealing simplicity, McGraw-Hill's "road map to Euphoria," as one economist called it, is not new. Last March, Wilson announced that the country could complete a full mobilization program in three years. In his April report to the President, he cut this to two; and in a conference of businessmen on May 13, he said that by June, 1952, the nation's closest ap-

proach to austerity would be over. In his formal pronouncements, such as his recent strong endorsement of the President's stand on controls, Wilson has been careful to make certain reservations: We can meet the two-year deadline *if* we develop the needed transport; *if* we have the wholehearted collaboration of private investors, big and small manufacturers, labor unions, and Congressmen; and *if* the international situation remains unchanged. But many legislators and businessmen have shown a regrettable tendency to concentrate on Mr. Wilson's time schedules and gloss over his advice on controls.

All the enthusiasm for the Wilson Plan, particularly in its breezy McGraw-Hill form, is alarming the White House. Charles Wilson did not originate the idea that our economy could be quickly expanded to meet both military and civilian demands. The theory has been advanced since 1948 by Leon Keyserling, Chairman of the President's Council of Economic Advisers. But Keyserling has been far more specific and less sanguine about the time and sacrifices it would take.

Long before Korea, Keyserling argued that since we would have to live in a permanent state of preparedness, we should develop a permanent





**Leon Keyserling**

capacity for defense production over and above the needs of our civilian economy. This meant expanding the industrial base, particularly in such primary areas as steel, copper, aluminum, and transport. The extra capacity might not be used, but it would be ready to produce and expand when needed. Keyserling did not worry about a possible depression if the new capacity were idle. He thought the country could absorb the added production eventually if the military did not need it.

Keyserling's report to the President, written last January, proposes this production strategy. For a time, he says, we should divert from one-third to one-half of the steel, copper, and aluminum normally used for such things as cars, washing machines, refrigerators, and vacuum cleaners. But instead of all this material being used for direct military production, it should be diverted into building new plant capacity which could then produce planes, tanks, and ordnance. After that, many if not all of the raw materials needed for civilian goods would be available again.

### **The Steel Problem**

The report is wary of laying down precise schedules. Everything depends on everything else. The most important step, increasing our annual steel production from 103 million to 120 million tons, depends on several factors: new steel plants; the availability of ore (the high-grade Mesabi deposits are running low, and we must obtain much more ore from places like

Labrador and Venezuela); the quantity of scrap available (which, it has since been learned, has been greatly overestimated); and the facilities for ore transport. The plant capacity can easily be expanded in a year or two. As for transport, however, we are seriously short of freight cars and water transportation for imported ore. In the past year, we had built about half the number of new freight cars needed to replace those that have worn out. With our present facilities, we can produce only one ore boat every six months. Sizable ore imports from Labrador hinge on the completion of the St. Lawrence Seaway, which has been stalled in Congress for twenty years.

Moreover, steel production can hardly be expanded unless private investors are willing to help out. The government does not have the authority—though it is asking for it—to build plants. It must persuade the steel companies to do so. The inducements have been heavy: liberal tax-amortization schemes, loans guaranteed by the government, and the prospect of capacity orders for some time to come. Even so, the steel industry is going slow, in fear of a future slump.

### **Butter, but Less Cake**

Keyserling is reasonably hopeful, however, that in a few years we can expand the nation's economy sufficiently to carry a \$60-billion annual armament program and still maintain a healthful, but not luxurious, level for consumers. He does not believe we will need the British sort of austerity program—even at the beginning. Neither, on the other hand, does he think we can improve our living standards soon after that period is over. Not only can we not have our cake and eat it, he told the President, but we must "stop eating so much cake." Depending on all the variables which neither have been nor can be calculated, he concluded, we might get back to the same total civilian supply we had in 1950 within two, three, or five years.

Meanwhile, however, the population will grow, which will mean less goods to go around; and the people will have more buying power than they did in 1950. (Incomes should be up ten to twenty per cent by the end of this year.) Able to afford more but buy



**Omar Bradley**

less than in 1950, the people may believe their living standards are dropping even lower than they actually are.

Even in Keyserling's cautious appraisal there are three serious qualifications. First, we will need rigid planning and controls—to allocate our natural resources, estimate our future needs, spread our manpower, disperse our industry against possible bombardment, and procure the raw materials we require from abroad without hogging the world market. This kind of programming, never really perfected during the Second World War, will be even more difficult in a time of semi-mobilization, when it is so much harder to draw a fair line between civilian and military needs. Second, if the international situation gets worse, we will have to throw more material into producing for immediate military needs. Third, the whole schedule can be slowed down, and perhaps stalled, by inflation.

### **Hope and Reality**

Some backers of the Wilson Plan assume that we now have a precise estimate of our military needs, which we don't; that those needs will be the same two years from now, which they may not be; that it is simply a problem in arithmetic to tot up our plant capacity, resources, manpower, and transport, and dovetail their expansion, which is plain simplification; and that the plan to achieve this is already blueprinted, which it is not.

The most detailed planning in Washington is being done by the De-

fense Department itself. Even there, it has been impossible to calculate quotas and goals with any precision. Before Korea, Defense thought it would need \$15 billion annually for procurement. So far this fiscal year it has got \$48 billion. For the fiscal year starting July 1, it is asking for \$60 billion, but, as Deputy Secretary of Defense Robert Lovett told Congress: "It does not appear feasible even now to attempt to forecast the extent to which additional funds may be required to support our efforts in Korea." He did not mention the additional funds we would need if something like Korea should happen anywhere else.

The Defense Department's planning has already been seriously disrupted by inflation. Since January 1, 1950, the country has lost \$75 billion because of rising prices, and according to Secretary Marshall, \$7 billion of that has bitten into the procurement program. With the military now spending a billion dollars a week for procurement, the inflationary pressures keep getting heavier, and Marshall has warned that unless vigorous measures are taken to control prices the procurement program may be brought "to the edge of disaster."

Defense has tried to keep its reserves to a minimum, to avoid the heavy cost of quick obsolescence; and it has by no means been able to make its estimates with the kind of efficiency that some members of the public might assume. A few months ago, John Small, civilian head of the Munitions Board, called in the Harvard Business School to survey the armed forces' procurement machinery from top to bottom. The Harvard report, just completed last May and now under consideration, proposed a sweeping reorganization that has not yet been acted upon. Obviously, therefore, the military estimates coming into Wilson's office are liable to change fairly soon.

### Plans and Plants

Direct military planning, however, is the least critical part of the mobilization effort. However military needs might change, there is no question that, short of immediate total war, the country will be able to meet them. The real problem is the rest of the economy.

One extremist group, including such men as Stuart Symington, believes

that we must have total economic mobilization now. Most government leaders refuse to go so far. They do not believe, at this stage, in drastic conversion from civilian to military work, slapping controls on all production, or rationing consumer goods. If we are to follow through on Keyserling's strategy, however, we shall have to come pretty close to all that for a while, at least; and, in any case, a partial mobilization is absolutely neces-



sary, if only to meet our immediate military demands. For all the yardage given this subject in the press, however, the actual plans for partial mobilization do not yet exist.

So far, there is not agreement even in Wilson's office about how partial our mobilization should be. For several months now, a large staff has been working on a Controlled Materials Plan to allocate basic raw materials like steel, copper, and aluminum. After accumulating mountains of statistical reports, the staff proposed, for example, that about three-quarters of our current steel supply should be set aside for military production and plant expansion. Wilson promptly cut this to fifty per cent and told the staff to adjust its other estimates accordingly. Consequently, it cut the proposed steel quota for freight cars from ten thousand to 7,500 a month, and eliminated the quota for farm machinery entirely. The latter was later restored in part. Although the whole plan was supposed to go into effect for the third quarter, starting on July 1, it is still nowhere near completion. The talk now is that it will either be perfected in time for the fourth quarter, or its collapse will force a new program of planning on the Mobilization Office.

As for plant expansion, the steel industry, which is the cornerstone of any national program, is a good case in point. The larger steel companies have by now received half a billion dollars' worth of tax amortization certificates. Some of the certificates have covered plants already built. Most of the new plants have been located in concentrated industrial areas already short of manpower, and regardless of the need

for dispersion which is vital to security. Many of them are built close to iron-ore deposits that are giving out.

### Happy Ending

In view of all this, the time could hardly be less opportune for the breezy confidence of the McGraw-Hill ad. If the mobilization program is not the mess that some alarmists make it, there is enough wrong with it to cause real concern. A lot of people in Washington are working desperately to improve it, but they are up against a solid wall of Congressional hostility and public complacency. Within the very near future, they will have to impose extremely unpleasant restrictions on every sector of the economy, and few of them have any illusions that these measures will solve all our problems, either now or later. Many of them, therefore, resent attempts to picture this emergency as a period of brief discomfort hardly worth fussing about.

One explanation for such good-natured optimism is that Wilson may be trying to win the hostile members of the business community to an acceptance of mobilization and controls as a temporary—very temporary—expedient, even though he probably knows better himself. In that sense, however, the effort has been an almost dead loss. During the Congressional hearings to extend controls embodied in the Defense Production Act, the N.A.M. and the United States Chamber of Commerce declared themselves flatly against all price-and-wage controls, as did the cotton-textile lobby, the meat packers, and the wool lobby. A few institutions, including the Ford Motor Company and the National City Bank of New York, have publicly announced themselves in favor of controls, but they are a minority.

Apparently the only part of the Wilson Plan that has caught the public fancy is its happy ending. Ironically enough, this could mean that the whole propaganda scheme might back up on its advocates. If we don't reach the target by 1953—and it is unlikely that we shall—the blame will be put not only on the Administration but on Wilson himself. Meanwhile, however, the propaganda will have done its mischief, and the only people likely to gain from it are those who would prefer the United States to have no mobilization program at all. #



# The Taxonomy of Inflation Control

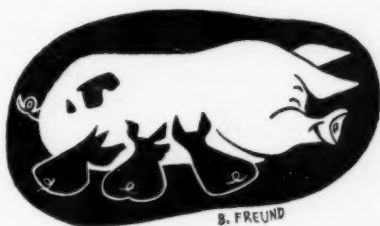
*Or how to identify various species of anti-inflation birds that are warbling in our economic woods these days*

J. K. GALBRAITH

THE AMERICAN economy, which has had depressions, recessions, panics, crises, and what, in 1930, was called "an inevitable readjustment to our previous high level of prosperity," is now experiencing something new—a lull. The great upsurge in prices of last autumn and early winter has petered out. Most commodity prices have leveled off and some have declined. Many finished products have become hard to sell.

As a result Michael DiSalle and his colleagues are in a position of comfort that, for price fixers, is all but unique, and it is high time that something agreeable happened to men in this job. Their ceilings are not, in general, under serious pressure. (The rolled-back prices on beef are, to be sure, an exception, and—here I speak from experience—a very few cattlemen in Washington are sufficient to keep a price fixer from feeling lonesome.) In the last few weeks any number of DiSalle's clients have had to forget about ceiling prices entirely and concentrate on the problem of floor prices.

The Supreme Court decision on the fair-trade laws and the price war it catalyzed have drawn attention once again to the sharp cleavage in our attitudes toward maximum and minimum prices. The first, however neces-



sary as a temporary measure, are clearly inimical to capitalism and in conflict with everything we stand for. But legal minimums, set by the manufacturer and enforced by the courts, are a way of suppressing unfair and un-American price cutting, of keeping the chiseler hived, and in every respect are quite sound.

## Inflation Ahead

Unfortunately it is the prevailing view that the lull, with its engaging as well as illuminating by-products for the public, is temporary. And while the prevailing view, like the best opinion of the market, is not always a synonym for prescience, in this case it states a good working hypothesis. A large increase in the rate of defense spending is now forecast for the coming autumn and winter. This means an increase in consumer incomes and in the effective demand for goods, and the increase may come at a time when materials shortages are restricting the supply of goods. Inflation will be with us again.

So also will be the debate over what to do about it. And the nature of the debate can be foretold with considerably more precision than the extent of the inflationary danger. The truth is that attitudes on inflation control have now become highly stylized. Nearly everyone who professes to speak on the subject has proclaimed his adherence to one or another of the formulas for

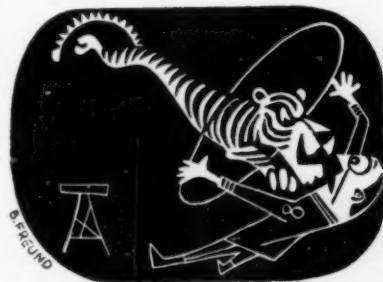
dealing with the problem. With the resumption of inflation the debate will be resumed from fully prepared positions.

This has some advantages. It is possible to classify the various positions and to give the bystander—as I propose to do in this article—a kind of form sheet on the various participants. However, as I shall suggest later, somewhat more catholic attitudes toward the problem of inflation might lead to more effective measures for preventing it.

## Productio ad Absurdum

In the taxonomy of inflation control there are four great phyla. A careful student could, in turn, divide each of these into genera and perhaps even further into species. For everyday purposes, however, the great divisions which comprise this economic kingdom will suffice.

The least differentiated and therefore, biologically speaking, the most primitive phylum of inflation controllers embraces those who assert that the problem is principally one of production. "We can lick inflation by more AND MORE production" is one popular way of stating the remedy. "The ONLY real solution to inflation is PRODUCTION" is another and slightly more



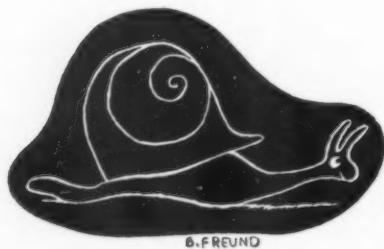


dogmatic variant. Those who advance this remedy normally drive home their point, not by remorseless logic, but by hitting the speaker's table firmly with their fists. Alone among the remedies for inflation, the enunciation of this one invariably provokes applause.

### Cure or Cause?

All who speak on the problem of inflation control have an unhappy tendency to cite the strong features of the remedy they espouse and to neglect its weaknesses. This is decidedly the case with those who argue that more production will do the trick. They have on their side, and are likely to mention, the obvious fact that the more goods there are to sell, the more effectively the ancient and unimpeachable law of supply and demand works on the side of lower prices. They are less likely to emphasize that along with the increase in output goes an increase in wages and other incomes which adds to the demand for goods. Since the government siphons off some of the return from the increased production in taxes, there will normally be a gain in supply in relation to demand. However, if the increased production is at high cost—if it requires a good deal of overtime and double time, for example—even this is not certain.

Moreover, one of the great accelerants of inflation is the effort to crowd plant and labor force beyond their current capacity. When this is being



done, wage increases can be asked for and obtained with ease; the costs of these increases can be passed along in the prices of goods. If high production is a cure for inflation, the efforts to get it can be perilously close to a cause.

### The Moneyphiles

The next and much more sophisticated phylum comprises those for whom not production but money is the magic word in inflation control. Here there is great differentiation. The group includes some who would prescribe the most comprehensive control over all forms of lending—the process by which the money supply is increased—and there are some, at the other extreme, who believe that a small increase in the rate of interest on government securities would work wonders.

There are, however, two unifying characteristics of all those who espouse monetary remedies. They display a deep sympathy for those who lack the subtlety of mind to grasp their proposal. And, more substantially, all seek to make bank credit scarce or expensive or both. That part of the demand for goods which comes from consumer or business borrowing would by this means be taken out of the market in whole or in part.

There is nothing quite like the certainty and zeal of those who believe that inflation can be controlled by monetary means. Their natural habitat is Wall Street, the Federal Reserve System, and the University of Chicago.

That some pressure can be taken off markets by tightening credit—and that inflation can be accelerated by a too-easy credit policy—seems reasonably clear. But again there are limitations on the policy, and its proponents view them with a blind eye. The inflationary upsurge following the outbreak of the Korean War was caused, in the first instance, by a great increase in consumer buying. A very large part of this was financed from past savings, and the spending of these savings could not have been prevented by controls.

High consumer demand during this period led in turn to efforts by retailers and manufacturers to build up depleted inventories. To this was added protective buying against the possibility of future shortages. A substantial part of this buying was done with borrowed funds; a rigid control of bank credit would have stopped some of it. How-

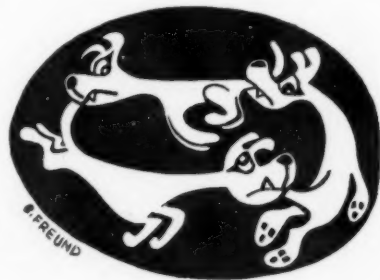


ever, this policy would also have shifted some of the demand from firms that had to borrow and couldn't to firms that had the cash but were discouraged by the difficulty in getting reasonably near delivery dates. The question, accordingly, is not whether monetary policy is effective or ineffective but how much of the job it can do. Its proponents believe there is very little it cannot do. Following an ancient national habit, they tend to compensate for the uncertainty of their evidence by the certainty of their statement.

### The Taxers

Those who call for more production as a remedy for inflation are robust extroverts who love mankind. The money men are ascetics who have come to a belief in their formula as the result of deep introspection. They are neutral about their fellow man except as they regret his lack of intelligence. The next family of inflation-controllers are frankly sadists. I refer, of course, to those whose prescription is to tax and tax and tax.

That they have much on their side goes without saying. There is no other method of equal forthrightness for limiting private expenditures and making way for public needs. Surely if the increase in public requirements for defense—or that part of it which is in excess of the normal increase in productive capacity of the economy—can be matched by reduced private ex-





penditures, brought about by taxation, the threat of inflation disappears.

So it would appear at first glance. On second glance it becomes evident that even the tax men must finesse some difficulties. There is the acutely painful character of their remedy and the very practical questions of political courage which it encounters. Where taxes are concerned we are almost certain to be too little and too late. Moreover, taxes do not prevent spending from past savings, and this, as noted, can be dangerous. The inflation of the past year, the sharpest since we have had index numbers to measure price movements, occurred at a time when the Federal budget was balanced with a small but comfortable surplus. Thus a pay-as-you-go tax program, for which most of the tax men would settle as a goal, can be quite insufficient.

Also if stabilization is to be achieved by taxation alone, it must be sufficiently heavy to keep demand and production somewhat below the current capacity of plant and the labor force. If these latter are being used to capacity, employers and employees, as I have observed, have little difficulty in forcing increases. In the absence of controls, wage increases are effectively resisted only when goods are hard to sell and costs cannot readily be passed on. In other words, the continuity of the wage-price spiral is only broken when there is some slack in the system. Taxes must be high enough to keep production from crowding capacity. At this point the tax man comes in conflict with the first speaker, who wants more production. This conflict occurs even before anyone mentions that awe-inspiring word *incentives*. What taxes at such levels are believed to do to "incentives!" My, my!

#### The Freezers

Fourth and last in this classification come the freezers—those whose infla-

tion therapy is to prevent wage and price increases by prohibiting them. In one respect this phylum is very different from the others. Production, monetary policy, tax and fiscal measures are all blessed by a respectable tradition of economic theory. Names of such majesty as Adam Smith, William Graham Sumner, Horatio Alger, and Mariner Eccles can be invoked in their defense. Wage-and-price controls have no prophets; those who guide these enterprises are always themselves convinced that they are intellectually illegitimate.

To try to fix prices and wages without doing anything else is indeed a fool's enterprise. It was learned in the Second World War and thereafter that it is technically possible to suppress inflation by controls. In a modern economy of large business units and large unions, controls really can be maintained in face of a much larger excess of demand over supply than has commonly been supposed. Nor is it certain that suppressed inflation is as dangerous as open inflation—my own view is decidedly to the contrary.

Nevertheless, suppressed inflation is something to be avoided. It forces a multiplication of other controls and, especially where there is a great redundancy of demand, it leads to extreme inefficiency. West Germany, prior to the currency reform of 1948, showed in extreme form the stifling effects of suppressed inflation.

Yet price-and-wage controls accomplish one thing that none of the other controls accomplish. When production is being pressed to the maximum—when the labor force and plant capacity are being used to their current limit—wage-and-price controls will prevent wages from shoving up prices and prices from pulling up wages. There is no other way that this can be prevented for sure, given the assumption of maximum production. If tax and monetary



policy are to accomplish the same result, they can do so only by creating a buffer of idle plant and manpower in the economy. The latter may not need to be very large, but it is the counterpart of any situation where a shortage of demand is acting as the restraint on prices. On the other hand, the need for effective taxation and effective restraints on lending does not disappear with controls. They alone prevent stabilization from deteriorating into suppressed inflation.

#### The Great Balancing Act

This exercise in classification has now made clear the great fault in the discussion of inflation-control measures. It is not that some participants have plumped for measures that are unwise or ineffective. Rather it is that nearly everyone has plumped. The error has been in the assertion that this remedy or that is the only one. The 16-million-bale cotton crop in prospect this year, part of it produced out of resources held out of use last year, will do something to support the case of the man who believes that more production is the answer. No one who has lately observed the sad congestion of the used-car lots and the even sadder countenances of their proprietors can doubt the effectiveness, however temporary, of strong credit controls. Some of the current lull itself can be attributed to the nation's springtime preoccupation with finding income-tax money.

DiSalle and Eric Johnston, in their efforts to break the wage-price spiral, are trying to do something that none of the other measures will accomplish under present pressures for production. Accordingly, as we emerge from the lull, we might resolve to be somewhat more eclectic in our attitudes toward inflation controls. As with a military force or even a poultry ration, there is everything to be said for balance. #



# Foreign Aid: 1952 Model

*To meet the world-wide, total, and lasting Soviet threat, the U. S. will ship mostly arms but won't neglect plowshares*

HELEN HILL MILLER

WHEN Vice-President Alben Barkley referred the President's May 24 message on foreign aid to the Armed Services instead of the Foreign Relations Committee of the Senate, he underscored the new emphasis in U.S. overseas assistance.

Of the \$8.5 billion the President requested that day, \$6.25 billion represents proposed supplies of military end items—guns, planes, tanks—to the armed forces of free-world countries overseas. Of the remaining \$2.25 billion, by far the larger part is intended either to increase foreign capacity for military production or to develop or procure overseas supplies of strategic materials we ourselves need.

So the greatest change in the program for the fiscal year that begins July 1 is a shift from the Marshall Plan's aim of restoring and reactivating the European economy to a new main objective, the building of free-world military power.

But there are three other major changes, each of which will require a corresponding stretch of the Congressional imagination.

The program now presented, the President pointed out, is designed to meet three major characteristics of the Soviet threat, which is world-wide, total, and of indefinite duration. So the foreign-aid program now recommended is world-wide, broad in range, and permanent. All these characteristics are new.

## ECA's Widening Responsibilities

Postwar U.S. foreign aid started with the placing of a definite regional priority on Europe. American aid, it was argued when the Marshall Plan was established, could not cover the world. The next best thing, it was decided, was to get the great but damaged west-

ern European industrial machine rolling again rather than to spread our resources more widely and therefore more thinly.

However, the western European countries had overseas dependencies, some of which, like the Netherlands East Indies, shortly ceased to be dependent. So ECA got a job in Southeast Asia. At the same time, Communism, contained in the West, began to pour rapidly into the East. Then, too, the necessities of American domestic politics added appropriations for Nationalist China to the foreign-aid program. Formosa became the scene of some first-class agricultural-extension work. When the Philippines, show window of democracy in the East, began to display some of the more tawdry by-prod-

ucts of the democratic process, the administrative inadequacies for which the Bell Report tolled became a further ECA problem.

The first suggestion of aid to underdeveloped areas to parallel the restoration of European industrial technology came in the President's 1949 inaugural address. The technical-assistance program embodied in his Point Four began with pilot projects in 1950 in the Middle East, Africa, and Latin America. Some of them were direct, some of them undertaken in co-operation with the U.N. and the Organization of American States.

After Korea, U. S. requirements for increased quantities of a wide variety of strategic and critical materials unobtainable at home accounted for major new overseas expenditures. While these were undertaken for domestic war-production purposes rather than as a foreign-aid program, they had a major effect on the economies of the raw-materials-producing regions, and also on the price levels and dollar positions of the European countries with overseas dependencies.

So by 1951, on a bits-and-pieces basis, U.S. economic programs had circled the globe. The President's new foreign-aid program now makes it official.

## Radar and Hand Pumps

Recognition of the variety of points at which the Soviet threat must be met is basic to the Administration's case. The range of items whose delivery overseas is held to be in the interest of American security runs from the most modern military equipment for the NATO countries to the simplest of hand pumps and plows for Southeast Asia.

Around the North Atlantic, the U.S. aim is to integrate a group of high-



Vice-President Alben Barkley

ly developed economies, to instill a concept of the common defense effort that can add up to a larger total than the sum of individual-country budgets spent exclusively at home. The Marshall Plan produced a minimum start toward integration in such measures as the European Payments Union and the Schuman Plan; General Eisenhower's current explorations are to see whether military urgency is more compelling than economic necessity.

The delicacy of the task of superimposing a rearmament program on economies whose recovery is as recent, and as fragile, as that of Europe is recognized. Now production levels have come up to those of prewar, and in a number of cases they have edged ahead, but nowhere to levels high enough to induce great popular enthusiasm. In Europe the choice is indeed between guns and butter; the European economic base permits no counterpart to the American determination to have both cannon and sirloin steak. Obviously security would not be served if the European defense effort became an insupportable burden to Europe.

On the other hand, neither will rearmament mean security unless all the NATO countries contribute to the limit of their ability. The presently proposed program is much clearer than last year's on the American intention to supply arms and economic aid for the expansion of arms production only as a supplement to existing effort in the country to which aid is supplied. This change is in part due to U.S. domestic requirements for matériel since the war in Korea; but it is also in part due to an impression that on the continent Finance Ministers think that their problems would be simpler if the costs of increased military effort could be met abroad—meaning by the United States.

The responsibility of General Eisenhower's headquarters, SHAPE, is therefore to secure pooling on the highest international level—pooling of military, economic, and political resources. The preponderance of the aid which the new U.S. program proposes would be in support of that pool.

### Man with the Hoe

The high level on which the foreign-aid program is being conducted in the North Atlantic area could hardly be in sharper contrast to the proposed

level of the Southeast Asia programs. There, as in the Middle East and other underdeveloped areas, the Soviet threat can only be met by a village-by-village approach. East of Suez, those parts of the economy that have been developed have been geared directly to international trade; the localities have been by-passed. In the villages, the existence of an imposing dollar balance is a matter of no significance. In the villages, the first step up in production is likely to be from a pointed stick to a hoe—the very hoe that has made the Man with the Hoe a symbol of poverty in the West. The first step up in public



### 'beneath is a dangerous vacuum'

health is to cement the village well to a level which prevents it from serving as a drain into which all surface water runs, installing a hand pump on top, and teaching enough native hygienists to operate needles for mass inoculations. The first step up politically is the formation of little village groups—the headman, the Buddhist priest, the schoolteacher, some young people who can take and transmit to others the ability to take the first steps on the long climb to a better standard of living. In this elementary participation in local life—which the Communists have been highly adept at—the people can find fulfillment of the vague but impelling nationalism that is the one common bond among the countries of the East. The danger of the present situation comes from the absence, in countries under colonialism, of any indigenous middle class, whether in economic life or in public administration. The overworked men at the top of the new nationalist governments are not at the top of a pyramid; beneath

them is a dangerous vacuum. To fill it, leadership from the villages is the only answer.

### Behind-the-Scenes Struggle

The third major change proposed in connection with the new U.S. foreign-aid program is a change in its administrative structure in recognition of its permanence. ECA was announced as an emergency organization, and its terminal date was fixed at 1952. When a Point Four division was set up in the State Department, a major justification for its separate status was that it would stress long-term technical, rather than financial, aid. The decision to depart from the previous dual structure caused lights to burn late in the White House.

A year ago, the President asked Gordon Gray to study the long-range aspects of overseas economic aid; one of the chief recommendations of the Gray Report was that all operations be concentrated in a single independent agency. Then came the report of the International Development Advisory Board attached to the Point Four structure, with Nelson Rockefeller as chairman. It recommended much the same thing, and the suggestion had every promise of bipartisan support. These were followed by findings of committees of the U. S. Chamber of Commerce and the Committee for Economic Development. They concurred. Former Administrator Paul Hoffman declared that only the Cabinet status given him in ECA had made the agency's operation possible. Most recently, the Committee on the Present Danger and the National Planning Association, both private nonpartisan bodies, as well as most business groups, have supported Gray's and Hoffman's viewpoint on unified control.

Separate status for overseas economic operations, however, went against the grain in the State Department. When the Marshall Plan started, the then Secretary of State tried hard, if unsuccessfully, to get Congress to agree to a closer relationship between his department and the new agency. The desire to supervise all overseas operations did not die with his failure, and last year the Point Four operation was set up within the department. This gave it a new bargaining position. So in April, Under Secretary of State James Webb tried again. The President sent

a directive in the form of a letter to ECA Administrator William Foster informing him that henceforth, in case of disagreement on foreign-aid allocations in the International Security Affairs Committee (on which State, Defense, ECA, Treasury, and the Executive Offices of the President are represented) the Secretary of State should make "the broad decisions concerning the use of the funds as between (a) military end-item assistance and economic support and (b) major political areas."

This behind-the-scenes struggle was not resolved until the last minute. The President's message designated ISAC as the place where decisions between the agencies concerned with foreign aid should be reached; but at the briefing session held the day the message went up, it was explained that if a conflict could not be resolved in ISAC, the next steps were referable to a joint meeting of the agency heads (they form the Foreign Aid Steering Committee), to the National Security Council, and finally to the President. The message also noted that "Consideration is now being given to the question of whether or not it would be desirable to transfer the administration of these [Point Four] programs to the ECA during the period that that agency is administering other foreign-aid programs."

So a foreign-aid agency to operate on a round-the-world basis and without a time limit has finally been proposed.

What will happen when this program reaches the end of committee hearings and votes are taken on the Hill?

A preview of what the Administration thought may happen was perhaps supplied by the slashes made before the program was sent up. The first preliminary figures submitted by the participating agencies to the Bureau of the Budget totaled something like \$11.7 billion, and for a long period the figure held at somewhere near \$10 billion—in both cases exclusive of the proposed increase of a billion in Export-Import Bank lending authority—but the final total, reached just before the message, called for only \$8.5 billion.

#### Effects of the Great Debate

Congressional resistance, even to the reduced amount of proposed aid, is bound to be formidable. The degree of response to this request is the pay-off

in the Truman-MacArthur controversy. The bulk of the present foreign-aid program is to equip NATO; in other words, the greater part of the funds would support the thesis that while the struggle with the Soviet is a struggle from which no world area is free, the most vital region is western Europe.

If the Administration substantiates the case it won in the great debate and

the case which it seems to be winning in the greater debate that has followed, only to be left with insufficient funds to put its theories into action, the victory will be hollow indeed.

No matter whether Congress does its job well or not, some measure of foreign aid—though perhaps in changing form—is bound to be as perennial as Rivers and Harbors bills. #

## Kem's Inspiration

### *A simple Senatorial amendment may create chaos in world trade*

HANS H. LANDSBERG

UNTIL LAST May 9, H.R. 3587 was an ordinary supplemental appropriations bill, the third one to be considered by Congress in the fiscal year 1951. On that day Republican Senator James P. Kem of Missouri, jointly with his party colleagues George W. Malone and Kenneth Wherry and Virginia's Democratic Harry Byrd,

submitted an amendment reading in part as follows:

"During any period in which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the United Nations, no economic or financial assistance shall be provided, out of any funds appropriated to carry out the purposes of the Economic Cooperation Act of 1948, as amended, or any other act to provide economic or financial assistance (other than military assistance) to foreign countries, to any country which exports . . . to the [U.S.S.R.] or any of its satellite countries (including Communist China and Communist North Korea) arms, or armament, or military matériel or articles or commodities which the Secretary of Defense shall have certified to the Administrator of [ECA] may be used in the manufacture of arms, armaments, of military matériel. . . ."

In the course of the proceedings the following day, Senator Malone gave his definition of military matériel: "Everything is war material when we are at war." Without a dissenting voice, the amendment was carried and sent to a



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Senator James P. Kem



Senate-House conference, whence it returned to the Senate enlarged by a number of detailed provisions for policing the trade of the non-Soviet world. The conference had also added one modifying paragraph, which empowered the National Security Council to make exceptions from the provisions of the amendment.

On June 2, President Truman, in the usual dilemma of a Chief Executive faced with legislation covering needed funds and unneeded policy-making features, signed the bill, thus putting the Kem amendment on the statute books. He made it plain, however, in some 2,500 words, that he held a dim view not merely of legislating foreign policy through riders to appropriation bills, but equally of his fellow Missourian's peculiar economic strategy for weakening the Soviet world.

On June 7, William Foster, ECA chief, released a summary of the proscribed commodities, certified to him by Secretary Marshall as required by the rider and ranging from sugar and pepper to boys' overcoats, woolen bathing suits, and arms and atomic material. Pressed for time, the government had included all commodities that require export licenses.

Under the somewhat complicated procedure set up by the rider, it was now up to each potential recipient of U.S. aid to certify, thirty days prior to receiving such aid, that since June 18 it had not shipped any of the banned items to a member of the Soviet bloc. Apparently such certifications would have had to be repeated every thirty days, and would undoubtedly have become the latest nightmare of Cabinet members and civil servants concerned with foreign trade throughout the non-Soviet world.

### Host of Exceptions

Faced with a two-week deadline, the President countered the Kem strategy of government by rider with the Truman technique of government by escape clause: With the consent of the National Security Council, he has decreed both a ninety-day exception for all recipients of U.S. aid and a permanent exception for Austria and Norway. With this step he has stirred up a storm of protest on Capitol Hill—a storm that may succeed in awakening his lieutenants in both Senate



Harris & Ewing

**William C. Foster**

and House. The latter body had swallowed the rider on nothing more than the assurance of Representative Clarence Cannon (D., Missouri) that the need for it was "now largely historical," and that if "by chance occasion for its use should arise," its provisions would be interpreted liberally.

The ninety-day suspension should be more than sufficient to provide a study period for factual evaluation of western vs. Soviet benefits of East-West trade. The stakes are high. If the Administration and its allies in Congress prove unable to draft an acceptable substitute for the Kem amendment, it can be taken for granted that the pending foreign-aid bill will be graced with a rider abolishing even the loophole.

### Target: Europe

While the primary target of the rider was without doubt western Europe, its language is broad enough, according to ECA, to leave Yugoslavia as the only U.S.-assisted country that could have made the required declaration any day in the week. But while Soviet-bound exports of rubber, tin, or manganese from members of the Commonwealth can thus be curbed, it is equally certain that the battle will be fought out not in Malaya, recipient of road-building funds from ECA, but in western Europe.

In 1950, according to official statistics, western Europe sent goods to the Soviet bloc (including China) worth

\$665 million and received in return imports valued at \$817 million. There are sizable omissions in these statistics. They exclude, for ten out of the eighteen western countries, trade with East Germany. Among the ten are West Germany, Italy, Britain, and Switzerland. Being official statistics, they naturally take no account of illegal trade, which is put as high as \$100 million in the case of West German exports to the Soviet Zone. Finally, the portion that goes to eastern Europe by transshipment is not covered in these figures, but must be considerable.

### How the West Gained

With all these holes filled, East-West trade probably accounts for easily five per cent of total western trade as against the 3.3 per cent revealed in official statistics. In terms of western imports, this would be the equivalent of some \$1.2 billion annually, the most important items being coal, grains, lumber, and ferro-manganese. Western exports, in contrast, are mainly semi-finished and finished items in the fields of machinery, chemicals, electrical equipment, and textiles. The trade balance in 1950 favored the East by some \$150 million, suggesting that the West was getting much more out of the dealings, especially since in 1950 our western allies were already following a policy of denying the Soviet bloc specific strategic items.

This joint embargo had been brought about not by cracking the Congressional whip but by patient negotiation over the past three years, though probably enlivened now and then, one may legitimately suspect, by hints on the part of American officials that unless they complied our ECA partners might be in for tough handling from Congress.

### Propaganda Ammunition

Supposing the technical and administrative obstacles to implementing the amendment could be overcome, western Europe—and any country falling within the scope of the rider—would have a choice of ignoring the threat from Washington and continuing to export proscribed commodities or of withdrawing from East-West trade and looking elsewhere both for imports to replace Soviet goods and for export markets for those items no longer sold to the Soviet bloc. Whether any coun-

try chose to defy the United States would depend not only on the importance of its East-West trade compared to possible U.S. aid, but also on the strength of its Government when faced with inevitable Communist charges of American domination.

There can be little doubt that if any country was found "guilty" under the Kem rider, and therefore its aid was suspended, domestic Communists could make a very convincing fuss about it. Soviet spokesmen have been insisting all along that the low volume of East-West trade is American handiwork—despite our protestations to the contrary—and they would then be able to quote chapter and verse to prove their point. In addition, countries forced to renounce U.S. aid in order to preserve crucial trade ties with eastern Europe might slowly slide into the Soviet orbit anyway.

What about the country that follows our rules? One must presume, to begin with, that its action would be swiftly followed by stoppage of eastern exports to the western country. Such stoppage could be presented to the world as justified retaliation for trade-agreement violation—another sharp arrow in the Soviet propaganda quiver. That trade would cease is more than a guess. The coarse-grain agreement between Britain and the U.S.S.R., for instance, provides that if the eastern partner cannot obtain in the sterling area (not merely in Britain) what it desires, it may stop shipments under the agreement. In this framework the Kem rider must be viewed as an instrument not for denying western goods to the East but for choking off East-West trade in both directions.

Britain is currently receiving one-third of its coarse grains and one-fifth of its lumber from the Soviet Union, while east European coal, mostly Polish, flows west at an annual rate of some 15 million tons. Such figures show that the seriousness of a cessation in East-West trade goes far beyond what is suggested by the relatively modest five per cent that Soviet-origin imports represent of all western Europe's imports. A final consequence of such a development would of course be the definite and permanent isolation of the Soviet satellites from the West.

In all respects the U.S. would have to foot the bill. First, we would have to make up for lost east European sup-

plies. Second, we would have to help find markets for western exports no longer traveling east. Third, we would be saddled with a vast and complex policing job, bound to involve us in endless squabbles with our allies. And last, we would have to give up any hope of Europe's giving up its trade-control red tape.

What is involved in replacing eastern supplies is only inadequately suggested by the value of the West's 1950



Harris & Ewing

### Senator Kenneth Wherry

imports from the Soviet bloc, estimated at over \$750 million. In some commodities—flax, pulpwood, ferromanganese—we could offer no help at all. In others we would be hit where our own supply situation is none too bright, as this year in grains and in lumber. To make up for the loss of eastern coal would not only cost us some \$25 million a year, but would absorb the services of not less than 175 to 200 ocean-going vessels. Extend the transportation problem to grains and lumber, and the magnitude of the problem begins to emerge.

### The Policeman's Lot . . .

Finding new outlets for some \$665 million worth of "frustrated" exports from western Europe would teach us that some of them cannot be absorbed anywhere but in eastern Europe. Those that could be imported here and in third markets would run into the opposition of the same legislators who sponsored the Kem amend-

ment, many of whom insisted on some of the protective amendments tacked recently onto the Reciprocal Trade Agreements Act. Finally, since on balance the West would lose more in cut-off imports than it would gain in "frustrated" exports to the East, simple arithmetic shows that the West's total supply of goods would shrink, an event that would increase inflationary pressure all around, worst of all here at home, where new export and transportation demands would be piled upon urgent defense requirements.

Our police job would consist of two equally unhappy beats. The first would be physical prevention of eastbound exports, and if recent events are any gauge, chances of success in blockading eastern Europe seem remote, with premiums on illicit trade high. The second would be a battle of interpretation. U.S. agencies charged with controlling, even with more than two weeks' notice, the enforcement of export bans would become entangled in screening of foreign certifications and statistics. Anyone at all familiar with the intricacies and pitfalls involved in translating foreign-trade statistics into U.S. terms must shudder at the thought of controlling the contemplated ban on the export of some 1,700 categories of commodities, a task in which every doubt or discrepancy would become the subject of diplomatic notes. No better way could have been devised to create discord and suspicion among allies.

While the Senate discussed the rider, every speaker's statement was either prefaced or concluded by the observation that we had suffered 65,000 casualties in Korea, and that there was some connection between this and East-West trade. In such an atmosphere sober analysis is doubly important: to point out that in its trade relations with the Soviet bloc our allies seem to have been getting their money's worth; that the West's potential has been built up to a probably greater degree than the East's; and that since 1941 trade with the East has decreased slowly in value and volume, and rapidly in content of strategic items going east. It is too bad that the Administration's side was never told to the Senate. A thousand words on the Senate floor would have been worth twice the President's 2,500-word post mortem. #

## AT HOME & ABROAD

# Balkan Backwater

*The people of Salonika, by-passed by history, wait philosophically for its next convulsion*

FRANCIS KING

MY FIRST impression as I drove into Salonika from the airport was of an irresistible if forlorn beauty; and through all the ugliness and wretchedness that I have seen since, that note persists. It was already autumn when I arrived, and on the hills of Greek Macedonia the light, golden and clear, was of a kind that I had only seen before in Scandinavia on evenings of high summer. There were dun-colored hills with strange and, as it seemed, arbitrary streaks of shade on their flanks; glimpses of vast, reed-fringed sweeps of the Gulf of Salonika, and, to right and left, white cart tracks up which, distant yet miraculously distinct, I would sometimes see a shepherd with his flock, a lurching wagon drawn by a single minute donkey, or an old woman dressed all in black, with a sack on her shoulders or a bundle on her head. About all this there was a kind of visionary dreaminess.

But already we had reached the outskirts of the town. First there were straggling houses which looked either like concrete pillboxes daubed with garish paint or like the corrugated-iron sheds which one sees in innumerable back gardens in England. Then we were driving between once-elegant villas, built by rich merchants during the time of the town's prosperity, the years 1900-1914, when it was a principal harbor for the Balkans. Nothing in Salonika is, fundamentally, more depressing than these decrepit villas. Each was once surrounded by its neat iron railings, but these now buckle inwards or outwards, lean twistedly toward each other, or show gaps stopped





with rusty barbed wire. The gardens thus enclosed look as if they had been scratched over by generations of poultry. Yet this street, Queen Olga, is the smartest residential quarter of the town, and here are to be found most of the consulates, in vast houses no less ugly but far less dilapidated and overcrowded than their neighbors. The streetcars, archaic mustard-colored boxes on wheels, hiss back and forth, from time to time colliding with busses or nosing off their rails to knock down pedestrians. It is just possible to coax a medium-sized automobile between the swaying cars and the crowds that bulge off the pavements, but newcomers to the town usually lack the nerve to perform the feat. When it is dry, dust whirls down this street at each gust of wind; when it is wet, the road itself becomes one vast gutter and the sidewalks dissolve in mud.

My first evening would have been a depressing one had it not been for a glimpse of the sea. I was to stay temporarily with the director of the organization for which I work, and he, poor man, found himself in the position of having to make unending apologies to his guest. What particularly depresses one in Salonika is that all the apparatus of modern living—central heating, running hot and cold water, flush toilets—is there, but so rusty and worn out after years of neglect that it can seldom be coaxed to function.

### Scenery and Obscenity

The sea front, with its wide sweep of promenade, its loitering crowds, its caïques bobbing at anchor—this was then, as always, magical. Looking at the glittering waters clasped between the even more brightly glittering arms of land, I could not remain homesick; and ever since, when the persistent desolation of the place seems to strike with more force than usual, it is here that I wander.

Or else I go to the old Turkish quarter, undamaged by the great fire of 1917, which ate out the town's heart. There on the hill behind the town are Turkish houses with bulging upper stories, out of which on Sunday evenings old women can be seen peering from behind muslin blinds as though they were still forbidden to mix with the crowds below. One passes small, mysterious gardens, glimpsed over walls, with shrubs in old kerosene cans



and flowers in baked-bean cans, and sometimes a fountain—a lead pipe that trickles water into a stone basin that is usually shaped like a shell. In the evening Turkish music can be heard in the taverns, and young men with grave faces and clicking fingers perform intricately graceful dances together or alone.

This is one of the poorest of the town's quarters, and when a foreigner walks there it is not unusual for him to have shouted after him "*Amerikano!*" (for now all foreigners are *Amerikanoi*, just as they were once all *Franks*), followed by a medley of derisive sounds, among which, if one's ears are sharp, one will recognize the more common obscenities used by the British soldier. I have never much minded this kind of abuse, guessing it to be abstract and impersonal, directed not so much at me as at the injustices of inadequate food, tattered clothing, and the absence of work. Yet on the first occasion when I explored these alleys, my companion, a young French student, seemed to cower at each fresh outburst. Eventually, "Let them laugh!" he muttered in an excess of fury. "It's we who'll have the last laugh. We shall leave this hole, and they'll stay here to rot for the rest of their lives." I should never have had the honesty to express the same senti-

ment. Nor, as it later proved, was my estimate of those jeers and obscenities wholly wrong, for on another occasion, while taking a photograph from the top of a wall in this quarter, I slipped and hurt my ankle, and then nothing could have been kinder than the way in which the once-abusive urchins helped me into a house, brought me a glass of cognac, and insisted on seeing me back to my flat.

### Eternal Transients

The poverty of Salonika is terrible; and when I try to account for the mysterious languor of the spirit that sooner or later seems to afflict all foreigners who live here—a sense of hopelessness, of grayness, of the fundamental uselessness of all human effort—I decide that, in my case at least, it is more this poverty than intermittent illness or loneliness that serves to create such a mood. True, in Italy misery does the same thing; but there the climate seems to make a difference, however illusory, so that the children who squat on the sunlit steps of Santa Croce in Florence seem to have no kinship with these, bare feet swollen with chilblains and legs blue with cold, who patter after one through the rain whimpering and whining: "Johnny! Johnny!" Nor is it possible to console oneself by saying, "But these people are not as we are"—for in Greece that pretense will not work. Even the most destitute of these vagrants have qualities which



we lack, and their tragedy, for it is a tragedy, is of nobility degraded rather than of nobility that has yet to be achieved.

Nostalgia impregnates the air of this city of exile even more pervasively than the dust which one seems to swallow with each breath. Sometimes the whole of Salonika appears as a kind of vast waiting room where travelers pile up, layer upon layer, in expectation of trains that never come. There are Sephardic Jews, whose ancestors were victims of the persecutions of Ferdinand and Isabella and who themselves suffered under Hitler, a pathetic but still proud minority who to this day speak a bastard Castilian and will not marry outside their community; there are Turks and Armenians and Greeks from Asia Minor who can tell their stories of that act of high statesmanship which made it possible for thousands of women and children to be butchered at Smyrna in 1922; there are White Russians; and there are victims of an even more recent exodus, peasants from Bulgaria and Yugoslavia and Romania, all waiting, all restless, all sure of a "return." They build nothing to last, for their life here is only for a few weeks, or a few months, or a few years. And this sense of camping out seems even to have infected the natives, of whom most of the lucky ones leave at once upon making enough money to emigrate to Athens. For every inhabitant of this place pines for Athens: There, they say, is music, there theaters, there art exhibitions, there a cultivated society. And they sigh, "Salonika is so Balkan!" The notion that by creating music, a theater, art exhibitions, a cultivated society they might make Salonika a little less Balkan does not seem to have occurred to them.

### Profiteers and Pride

Yet of their kindness and hospitality, their wit, intelligence, and courage under the most terrible of deprivations, no praise can be too high. There is, of course, corruption; in a region emancipated for less than forty years from Turkish rule how could it be otherwise? In Floka, Salonika's smartest restaurant, you will see the "Marshall Millionaires," men with a taste for English tailoring and large cream cakes, whose wives' determined air of pseudo fashionability can apparently



Starworth

be traced to the appropriation of American or other relief funds. Scandals break periodically, and then for a moment there is a pause in the systematic salting away of British coins. But the corruption continues; and eventually the mayor of some small town in Macedonia can move on to Athens, send his son to the "English public school" at Spetsai and his daughter to America, and, one supposes, live happily ever after.

I soon had my experience of Greek pride. The day after my arrival, I motored with the director and another member of our organization to Kosani, a small town in western Macedonia, where we were to interview a Greek whom we hoped to employ. We drove out through the Macedonian plain, a stretch of country that might have been created, in its vast, despairing grandeur, in the imagination of Thomas Hardy. Everything seemed to be vaguely discolored, as if the light, so clear on that drive from the airfield, had somehow become infected by the mud through which we splashed. We spoke little, for these limitless miles of flat, dun countryside oppressed each of us with the same melancholy. Then we began to climb up and up into the mountain passes, and as the air became more chill, we pulled on overcoats and huddled deep into the upholstery of the car. The serpentine winding of the road, with its abrupt falls on the left and its jagged escarpments of rock on the right made me feel giddy and vaguely as if I had drunk too much. At the summit we clambered out and went

into a tavern where "Ain't She Sweet?" was being played, faint and tinny, on a phonograph that appeared to need continuous winding. We ate hunks of bread and *feta*, a sour sheep cheese, washed down with gulps of *retsina*, and meanwhile we all stared, as if hypnotized, at the fluted horn of the phonograph. My companions, who knew the country, were displeased because we had been overcharged. But for me it was enchantment to sit in that pure, icy air, with the mountains about us and that taste of resinated wine harsh on the palate.

In Kosani we discovered that the Greek whom we had hoped to employ already had a job. We sat with him in a restaurant and ate a large meal. We had never supposed for a moment that he was anything but our guest; he was obviously poor, and it was we who had asked him to meet us. Yet when the time came for us to pay a not inconsiderable bill, the waiter informed us that it had already been settled. We argued, but it was no use. We were foreigners, our friend was a Greek; this was his town, and his sense of honor would be outraged if we refused to accept his hospitality. So although he would not take our job we had to take that meal from him. Such things are forever happening in Greece.

### On Macedonian Character

There are, of course, defects in the Macedonian character, and the chief of these arise from the absence of three qualities which in our own civilization we have come to regard as important: reverence, nerves, style. During hundreds of years of persecution it would be strange if there had been time for these things to develop. As a result of the lack of reverence, the elderly, the famous, and the well to do, who would resent being called "Chum" by a London bus conductor, are here subjected to even grosser familiarities. As a result of the lack of nerves, one lives in an incessant and confused uproar—cars advertise patent medicines through loudspeakers, sedate businessmen begin singing in chorus in public restaurants without being drunk, and maids in a block of flats all shout to each other simultaneously out of their separate kitchen windows. The lack of style is even more pervasive. Wives of even the richest businessmen dress in clothes of an unparalleled garishness.

Finally, the sense of the niceties of social intercourse, which one finds so acutely developed even among the poorest Italians, seems not to exist: "Please do not stand there, Mr. King. General G—— is having a private conversation, and besides you are in the way of the servant."

The other most distinctive trait of the Macedonians, fostered by long years of plotting against Turkish rule, may at best be called independence and at worst sheer anarchy. The most generous and kind and honest people in the private decencies of life, the Macedonians seem almost completely to lack any social conscience. For example, two eminent American specialists in venereal diseases recently visited this country, and in the course of a farewell address one of them remarked that he had encountered among Greek specialists in these diseases an obstinate reluctance to acknowledge that penicillin is now far and away the most efficient remedy. The following day I happened to be drinking with a party of medical students to whom I showed a report of this speech. They laughed at the ingenuousness, or disingenuousness, of the American's comment. Of course, they said, the specialists were reluctant to acknowledge the pre-eminence of penicillin, since by doing so they would be handing the majority of their patients over to any general practitioner who could give a penicillin shot.

### Zest for Life

My maid seems to me to be a perfect example of the Macedonian character, although she was brought, as a child, from Smyrna. No sense of reverence will prevent her interrupting a dinner-party story told by some elderly and, for these parts, distinguished gentleman if she feels he is talking nonsense. No sense of style will suggest to her how flowers should be placed in a vase or knives and forks on a table. No nerves will prevent her from having a tooth pulled out by her husband at home, or cutting the throat of a chicken on my balcony. Yet, again characteristic of the region, she is a woman of the utmost generosity, loyalty, and courage. Her husband is a poor creature in everything but his magnificent looks, and though he works intermittently, making dolls and then selling them at street corners, it is she who really supports the family, putting in eight hours



a day at my flat and then going off to cope with her own household. When I pay her she takes the money straight to her husband; and when I gave her a small sum at Christmas in order to buy some shoes, her husband took it from her and to this day she still shuffles around in a pair of my old slippers. But her cheerfulness is unending, and even at times a little trying—erupting in wild, unintelligible jokes, horseplay with the maid from the flat below, and loud, not always explicable laughter at such things as the spectacle of my shaving, breakfasting in my dressing gown, or smoking a cigar.

Her mother and father were both killed in Smyrna, her two brothers died of tuberculosis, and though she has

taught herself to read, she has never been to school. Yet she has never once complained to me about the past tragedies or the present difficulties of her life. For like all the people of this region, she is the possessor of tremendous stamina, vitality, and pride. Such people lack refinement, and, as the recent civil war showed, they are capable of abominable cruelties. But they have a zest for life which makes us English and Americans—forever complaining about our exile from London or New York, our boredom, our loneliness, our illnesses—seem somehow feeble and anemic creatures. As one sees them on a Sunday evening, wandering by the seashore, arguing interminably in their taverns over a single cup of coffee or a single glass of *ouzo*, or lying in the sunlight, doing nothing, seeing nothing, saying nothing, a sense of exasperation overcomes one. They have suffered terrible things at the hands of the Turks, the Serbs, the Bulgarians, and the Germans; worse, they have suffered terrible things at each other's hands. Many are Communists, whose fathers, mothers, sons, daughters, husbands, wives are herded in prison. Many fought the Communists and know what fate to expect if an invasion comes, as they all believe to be certain. Most are poor; most live in conditions of incredible squalor and crowding. Yet as they wander on a spring evening, is it an illusion that they all seem happy? #





# Greenland: Northern Sentry Post

*Its people are just switching from kayaks to powerboats, but soon jet planes and radar will sweep its skies*

ALLEN RAYMOND

SOME TIME this summer units of the United States Army and Air Force will undertake once more to guard the proudest jewel in the crown of Denmark. This is the island of Greenland, which lies directly across the shortest air route between Moscow, the heart of industrial New England, and New York.

That Greenland is of military importance to the United States and to any European power at war with nations on the North American continent was demonstrated first in 1942 and 1943, when two small Nazi expeditions arrived. These were rounded up by the Danes themselves without help from several thousand American troops on guard at four airfields.

The Germans then tried several times in the summer of 1944 to place weather stations on the shore of northeastern Greenland. In every instance but one their small ships were discovered offshore by American Coast Guard or air patrols, and were either sunk or captured. An expedition of twelve Nazis which succeeded in getting to shore in that year was rounded up by an American Army patrol without a shot being fired.

Under a military convention signed in Copenhagen on April 27, 1951, by Mrs. Eugenie Anderson, the American Ambassador, and Ole Kraft, Danish Foreign Minister, the protection of Greenland will once again be a joint Danish-American project, under the terms of the North Atlantic

Treaty. The major cost in manpower and money will be borne by the United States. Danish sovereignty is specifically recognized, but the United States is given the right to build and operate weather stations, a radar chain, and airstrips on the island. The American troops who are to operate these facilities will be exempt from Danish customs and other taxes.

The United States will return its naval base at Grønnedal to Danish command, but will have access to it, in common with other NATO powers. Second World War weather stations and air bases, taken over by Denmark last summer, are to remain in Danish hands, and the United States will build new airstrips, capable of serving the larger and faster military aircraft developed since 1945. A vast amount of material for the new American installations is being collected at several ports on the Atlantic seaboard for shipment to Greenland this summer.

When more members of the United States Armed forces start flowing into the island shortly, they are unlikely to see very much of the Greenlanders. The Danes expect to continue, as far as they can, a policy of almost complete segregation of the primitive Greenland people from the Americans, which they adopted in the Second World War for the benefit of all concerned.

## The Greenlanders

In more than one thousand years' residence in their northern island, the Greenlanders have

developed a distinct and unique nationality of their own, which is part Eskimo and part European. Original settlers were Eskimos from the American mainland, but Europeans began to arrive in A.D. 986, when Eric the Red led a colony to the island from Iceland. There were three thousand Europeans on the island by 1721, mostly from Scandinavia, and these had so intermingled with the natives that Hans Egede, a Norwegian missionary who went to Greenland in that year, found a population alien both to Europe and North America.

Blue-eyed Eskimos and dark-haired Danes were speaking a language unknown in any other country, which had survived as the native tongue to this day. It is a conglomeration using innumerable syllables in single words, many of which require a whole sentence to be rendered into any European translation. The written language that is now universally recognized in schools and press was not devised until 1871. Since then missionaries and schoolteachers have compiled in it most of the folklore of the island, partly handed down by word of mouth from mainland Eskimo tales and partly derived from the Bible.

The population in recent years has been anxious to know another tongue but to keep its own, and under the post-war reforms the study of Danish will begin in the high schools. Tuberculosis has been rife in the island, and tooth





decay is increasing as a result of the introduction of European foods. A state medical service, which has been installed by Denmark to combat these ailments, is building three sanitariums for children and establishing special grants for school meals.

### The Land

As a war correspondent, this writer first saw Greenland during a tour of American weather stations in the Arctic in 1945. I was on one of our airfields at Goose Bay, Labrador, when word arrived that an American soldier from one of these stations in Greenland was near death from frostbite and pneumonia, and needed penicillin to keep him alive. There was no penicillin then at the American air base at Narsarsuaq, or Bluie West One, near Cape Farewell at the extreme southern end of the island.

A veteran colonel of the U.S. Air Force with many hours of Arctic flying behind him had just arrived in a B-17 from Iceland when the message was received. He volunteered to turn around immediately and fly back to Greenland with the penicillin, although the weather was bad and the margin of time in which to reach the island before nightfall was narrow. I went along with him. We flew into the Greenland base just as night was falling, threading our way up a fiord whose rocky cliffs, as ugly as elephant hide, were uncomfortably close to our wing tips, and whose black waters were strewn with floes.

The next day I awakened to see the glory of hills that were far from barren. There are hundreds of species of

colored moss and shrubs like heather on the rocks of Greenland. The bright sun plays upon all their colors, and the colors change with every cloud or changing light in the sky. There is a splendor in these hills at sunset and a grandeur in the tall glaciers that drop away with resounding roars into the ocean, which carries their fragments southward. It is no wonder at all to me that the approximately twenty-four thousand native Greenlanders who are accustomed to the island's rigorous climate love the land of their birth and do not care to migrate.

### Pride and Propaganda

During a recent trip to Copenhagen I talked at length of the island with Hans Hedtoft, former Prime Minister of Denmark, and Eske Brun, chief of the Greenland Office.

"Sovereignty over Greenland is a very sensitive subject with the Danish people," said Mr. Hedtoft. "You may remember that we Danes sold the Virgin Islands to the United States during the First World War. That sale aroused tremendous opposition in this country. But we needed the dollars. The question was put to a popular vote. Those favoring the sale won. But the thinking of peoples everywhere has changed a great deal since 1917. Today you could never get the Danish people to vote to sell their last remaining colony.

"The United States, of course, has invested a large amount of money in the defense of the island, and is about to invest more. There is no doubt of its strategic importance to America. But the United States has never raised

the question of purchase, and we hope it never will. We are very proud of our past in the island."

One thing, I gathered, that has made the Danes particularly sensitive to the question of sovereignty over Greenland has been persistent Communist propaganda in Copenhagen charging that the government has been permitting sovereignty to slip into the grasp of American "imperialists." Long after practically all the eight thousand American soldiers stationed in Greenland during the Second World War were withdrawn, the Communist press in Copenhagen was howling against the government for allowing a few Americans to remain at one of the four airfields established during the war.

The government and its spokesmen replied periodically to the Red propaganda. Three of the four airdromes established by the Americans in Greenland during the war, they said, were battered down against the Arctic storms and in the care of Danish custodians. A small group of American personnel remained at one base. All the twenty-three weather stations established by the Americans were now in the care of Danes.

The influence of the small Communist Party in Denmark, which was high in 1945 and 1946 because of the share the Reds had taken in the resistance to the Nazis, dwindled rapidly after the Russian coup in Czechoslovakia in 1948. Today it is practically nil.

Eske Brun, ex-governor of Greenland, is a strapping six-footer, tall and fair-haired. He represented Denmark on the island throughout the Second

World War. He gave me the story of Greenland's gradual change from a barter economy to the economy of money—from the simple economy of the isolated seal hunter and his family to the economy of the townsman, engaged increasingly in a co-operative fishing industry, in sheep raising, in mining, and in trade.

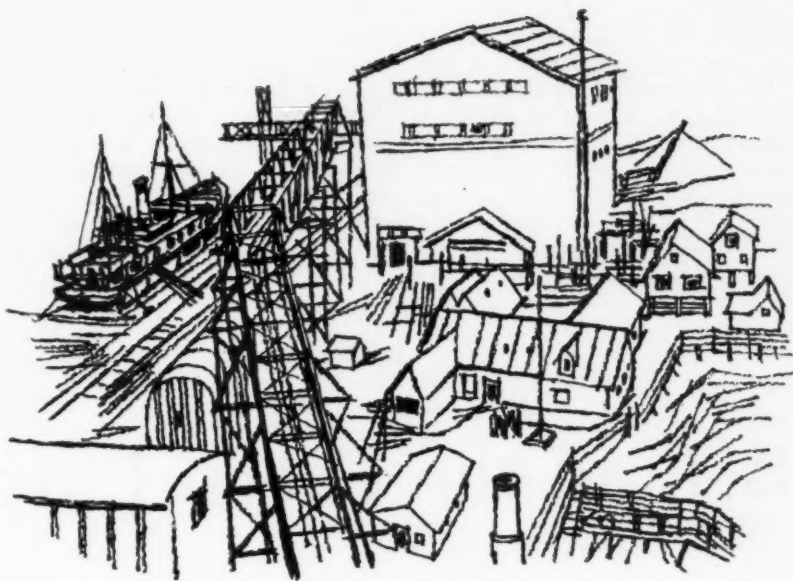
### Kayak to Powerboat

Although very few of the young Americans who are to guard the island are likely to note it, another great force besides their own is entering Greenland this year for the first time in generations. That is the power of private capital.

It has been the historic policy of the government in Copenhagen to bar private enterprise in Greenland as useless or liable to exploit the natives, and to conduct all trading there under state monopoly. The proceeds of the state monopoly have been turned back into a welfare fund for the benefit of the Greenlanders. Besides this fund, the upkeep of the island has cost the little Kingdom of Denmark some millions of dollars annually. Economically, the island has always been a liability.

Under the laws adopted by the Danish Parliament in 1950, four private companies are setting up in business this year in Greenland to develop its greatest resources, the fishing and sheep-raising industries. Gradually others are to be brought in, under license, and the old state monopoly in trading with the Greenlanders is expected ultimately to give way to private commerce.

A generation ago, Greenland men were seal hunters or nothing. The seal gave them and their families food,



clothing, and tools. The seal gave the hunters fabric for the little kayaks in which they paddled out to sea, oil to light their homes, and about everything else they needed. Seals abounded by the thousands until about thirty years ago, when they began to thin out.

The Greenland population has been increasing at a steady rate of about two per cent a year, without any immigration. Today it is estimated that there are more than twenty-four thousand natives on the island, and Brun estimates that it can support forty thousand easily at its present scale of living. But the people can no longer live by hunting. They have begun to leave their isolated dwellings and move into small towns, where they have set up local governments.

They are increasingly in need of trade with the outside world. They have one big cryolite mine in operation. Cryolite goes into aluminum, and most

of Greenland's output is sold to the United States. There are also some deposits of lead on the east coast, but they are pretty inaccessible, and the nearest harbor is free of ice only about six weeks a year.

### Commerce and Defense

The plight of the Greenlander would be desperate indeed were it not for the migration to Greenland waters in recent years of large shoals of codfish. There are also great stores of shrimp. The Greenlander has gradually been changing from a hunter into a fisherman. He has been selling large quantities of salt cod, principally to European Catholic countries, and receiving from these sales the money with which to purchase necessary textiles and other goods at government stores. But the island needs canneries, refrigeration plants, and larger powerboats. Therefore it was upon the initiative of the Greenlanders themselves that Mr. Hedtoft's commission recommended to Parliament that private enterprise receive a chance to do business on the island.

The new laws also provide for an increasing share of local self-government, so that there will be less danger of overseas exploitation.

Brun doubts whether outside capital ever will enter the storekeeping business of the island.

"There isn't much money to be squeezed out of a Greenlander," he said. "I guess our government trading posts will have to carry on until the





Greenlanders themselves take over, with their own capital, by their own private enterprise. That is our hope."

In manning the island, the U.S. Army and Air Force will not be called upon to run the weather stations that are essential for mass flights of aircraft. The Quonset huts and prefabricated shanties are being replaced this year

by solid structures of concrete and lumber, with rock-wool insulation. These posts will be staffed with Danes.

Not one of the airfields built during the Second World War will be adequate for the planes developed by the military since 1945. The uphill runway at Narsarsuak, which gave this correspondent the jitters back in those

days, was the best of all built on the island. At least one big new one is to be built. The Danes also expect work to get under way on a radar chain. The whole system, Danish-American operated, will be ready to give first opposition to any attack upon the North American continent from northern Europe. #

## Behind the Czech Purge

*Moscow had to forestall Titoism in Prague at all costs because of its grandiose plans for an eastern Ruhr*

ROBERT DALL

ON MARCH 14, 1950, Czechoslovak Foreign Minister Vládo Clementis, home from New York, where he had been representing his country—and, dutifully, Stalin's too—at the U.N. General Assembly, abruptly resigned his post and dropped into that awful outer darkness in which disgraced Communists hover uncertainly between improbable redemption and lasting political, or even physical, death. Two months later, his successor, Vilém Siroký, explained that Clementis was a vulgar "class enemy" and "bourgeois nationalist." He is the most prominent victim of the current "liquidation" of Stalinists in Czechoslovakia, a purge that becomes less mysterious if it is seen as part of the Soviet program for the prevention of Titoism among its satellites. After Tito's defection, Russia abruptly reversed its policy of discouraging industry in its east European vassals. By forced industrialization Russia is guaranteeing their ultimate integration into the Soviet Union by making them dependent both on Soviet raw materials and export markets.

The Soviet Union is directing the industrial energies of these satellites toward three projects in which Czechoslovakia

has a crucial position: the creation of an "eastern Ruhr," which will be the industrial backbone of the Soviet rule of eastern and southeastern Europe; the mining of uranium; and the development of a war-industry center in Slovakia and Poland.

This industrial transformation is bringing economic hardships, and the purges can be seen as a useful device for eliminating protests. Blame for shortages, rationing, and other discomforts is shifted from the Soviet Union to "traitors and wreckers."

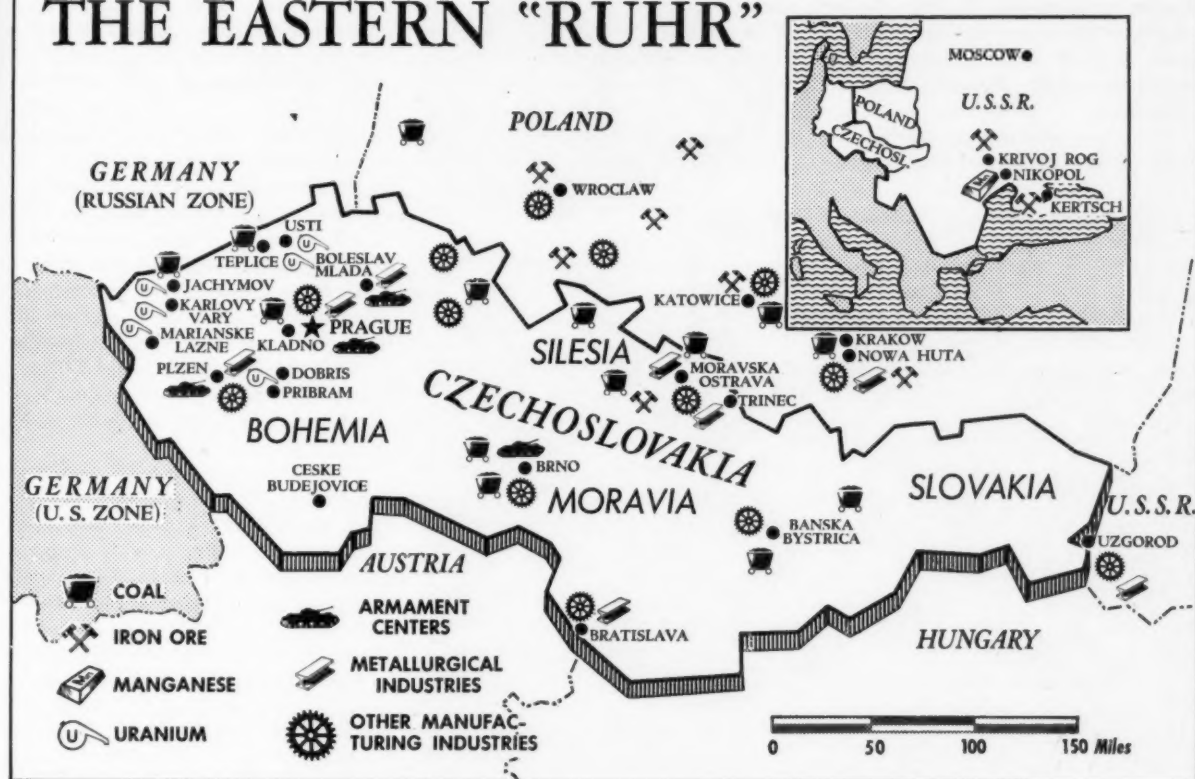
Before the Yugoslav rebellion, the general trend of Soviet investment was to the east behind the Urals; Soviet military strategy in eastern Europe was to create a large girdle of buffer states around the Soviet heartland. In

line with this general policy the industrialization of Poland and Yugoslavia was obstructed, and the establishment of additional factory capacity in Czechoslovakia was discouraged. This obstruction of industrialization was one of the main reasons given by Tito for his rebellion.

Late in 1948, a new industrialization plan was adopted to raise Polish steel output to 4.6 million metric tons a year by 1955. This contrasted sharply with the Polish Three-Year Plan of 1946, under which Polish steel output had remained at approximately prewar levels, and which directed the Polish government to concentrate on the manufacture of textiles and chemical products rather than heavy machinery. Similarly, in Czechoslovakia, steel produc-



# THE EASTERN "RUHR"



tion was pushed from 2.2 million metric tons in 1948 to 2.6 million in 1949, and to 3.5 million in 1950 after completion of new plants in Slovakia.

On August 7, 1948, the Kremlin forced upon Czechoslovakia and Poland a Polish-Czech Council of Economic Cooperation, announcing that in the future the entire Moravian-Upper Silesian-Slovakian industrial region was to be administered without consideration of national boundaries. At the same time, Soviet engineers took over the management of Polish construction and began to infiltrate the Moravská Ostrava heavy industries.

By cutting across national boundaries, Soviet industrialization plans indicate that the Kremlin is no longer satisfied with mere domination of the Communist Parties in its eastern satellites but is striving for their actual physical integration into the Soviet Union.

## The 'Eastern Ruhr'

The basic idea of the "eastern Ruhr" plan is the fusion of the northwest Bohemian and Upper Silesian coal basin

with the south Ukrainian and Crimean iron-ore regions of Krivoi Rog and Kerch. Realization of this project would create an industrial combine potentially superior to that of West Germany and Lorraine together. The Bohemian-Silesian coal deposits amount to about 67 billion tons, as compared with 55 billion tons in the Ruhr. The iron-ore deposits of Krivoi Rog are about 1.5 billion tons, and the brown iron-ore deposits of Kerch about 2.3 billion tons.

In contrast to many other Soviet combinations, this eastern Ruhr is not an artificial but a natural unit. Its creation was one of the dreams of the German geopoliticians. Basically, the Soviets are trying to carry out a plan the Germans announced immediately after the conquest of the Ukraine in 1941. The closest iron-ore stock for the Upper Silesian coal is in the Ukraine. Lack of coking coal, the principal disadvantage of the Upper Silesian region, would be filled in by Czech production in the Moravská Ostrava district. Eastern Upper Silesia has rich supplies of nonferrous metals. Nikopol on the

Dnieper produces much more manganese than the Russians require. The prerequisite for this grandiose plan is the completion of a Ukrainian-Polish-Czech canal network that would enable iron ore to be carried direct to the coal regions. The fact that since 1947 many tens of thousands of Sudeten German, Czech, and Polish slave workers have been used in the construction of the Vistula-Dniester Canal and an Oder canal system, which the Germans started to build in 1939, is evidence that the eastern Ruhr is no mere vision.

## The Uranium Areas

The eastern Ruhr project seems to have been pushed from planning stage into feverish execution following the Tito crisis. However, direct Soviet control of the uranium areas in Czechoslovakia has been obvious since August, 1945, when the triangle of Karlovy Vary-Mariánské Lázně-Jáchymov was surrounded by an MVD curtain. Later, mines near Usti and Teplice Sanov were included. Since the summer of 1946, new deposits near Píseň and Dobruška, southwest of Prague, have been

explored. The sole function of the Prague government in this Soviet project is to deliver up tens of thousands of slave workers, among them the flower of the Masaryk-Benes intelligentsia.

The Saxon-Bohemian border regions of Czechoslovakia contain Eu-

time Czech Communists. Dr. Gustav Husák, chairman of the Slovak Council of Trustees; Ladislav Novemesky, former Commissioner for Education in Slovakia; Clementis, and others have been accused, in the traditional Soviet style, of planning a coup in which they would seize leadership of the party,

leaders from a national Communist Party a possible cause for Titoism that must be eliminated in spite of their consistent obedience.

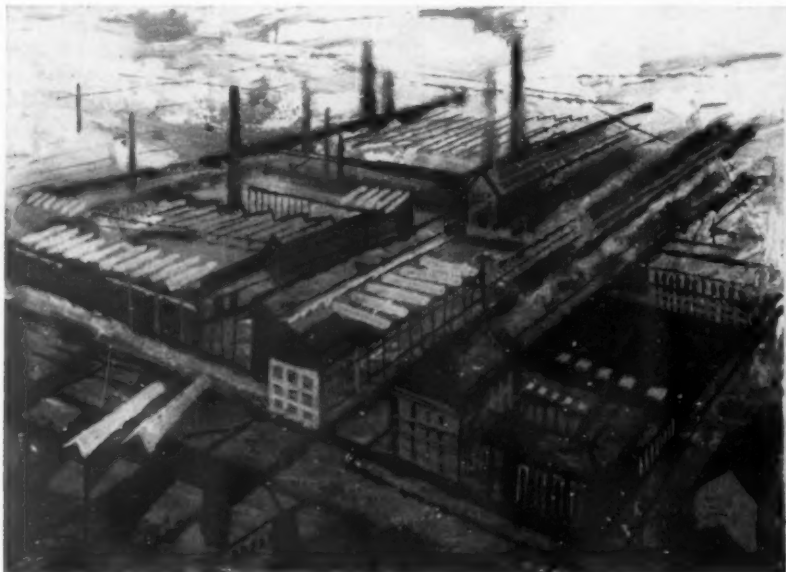
In this connection it is useful to apply some of the rules from the chapter "Effective Action" in *The Operational Code of the Politburo* (a systematic analysis of the statements of Lenin and Stalin), by Nathan Leites. According to these rules a good Bolshevik never dissipates his efforts; by consistent self-criticism of his smallest errors he avoids even the slightest deviation from the party line. In other words it is not enough to be a Communist in general. The effective Bolshevik must find the line by himself from moment to moment.

The old core of the Czech Communist Party, with the former carpenter Gottwald and the former miner Zápotocky at its top, was part of a tough labor movement well trained in defending wages and working conditions. However willing these men may be to follow the Soviet line, they are bound to "dissipate their efforts" by raising questions and alternatives, and therefore must be replaced by a party of the "new type." Gottwald is still in the proud castle of the Kings of Bohemia, and he has even figured as a "potential victim" of the Clementis "murder gang." But he and Zápotocky are living on borrowed time.

### Moving In

Remembering the Yugoslavian debacle, the Kremlin prepared its Czech *coup d'état* with utmost care. The Soviet delegation that was sent to Prague in May, 1950, was headed by Marshal Nikolai Bulganin, a member of the Politburo. A week-long campaign of praise for the Soviet Army and its glorious Marshal Ivan Konev was the overture (played by the entire Czech press) to a military reform completely Russianizing the Czech Army. The service regulations published on October 1, 1950, were a strict copy of the Soviet model. Colonel General Gusev, the head of the Soviet military mission in Prague, is in charge of re-educating the Czech Army, but Konev became the real Commander in Chief of the entire military region.

In June, Premier Antonin Zápotocky was forced to resign from the presidency, and labor Minister Evzen Erben from his position as secretary-



rope's largest known deposits of pitchblende, a source of uranium. True enough, the Saxon-Bohemian ore contains only about eighty grams of U-238 per ton. The fact, however, that the Soviets are transporting the ore from the area by air and are working even the lowest-grade mines indicates that, at least for the time being, these regions, easily reached from any Allied air base and known to the West to the square inch, are a vital source of raw materials for the production of atomic weapons in the Soviet Union. If so, this surmise strengthens the argument that the Soviet Union must integrate Czechoslovakia at all costs.

Of course, from the viewpoint of military strategy, full Soviet control of Czechoslovakia would become indispensable if the Kremlin decided on an offensive against western Europe or against Yugoslavia. Then, too, the Skoda Works in Plzen have become the main arsenal of infantry armaments for Poland and the Balkan satellites.

### The Victims

This is the background of the events which have engulfed thousands of old-

foster separatism in Slovakia, and subordinate it to "American imperialism."

None of the others accused were nationalists of the Tito brand. Neither had they rebelled against Stalinism. Marie Svermova, member of the Politburo and for a time acting general secretary; Otto Sling, a member of the party's Central Committee; and General Josef Pavel, chief of the secret police, were almost to the time of their arrest praised as shining examples of Stalinist leaders.

Stalin, however, does not consider personal submission enough. His brand of "Marxism" teaches that it is useless to chop off heads unless the social conditions and organizations which might guide such heads are destroyed at the same time. An important condition for Tito's defection was Yugoslavia's economic independence of the Soviet Union. But it is not enough that the accused have been completely willing to implement Czechoslovakia's increasing economic dependence on the Soviet Union and in this way renounce their chance to make a rebellion along Tito's lines. Evidently Stalin considers the mere derivation of the old-time Czech

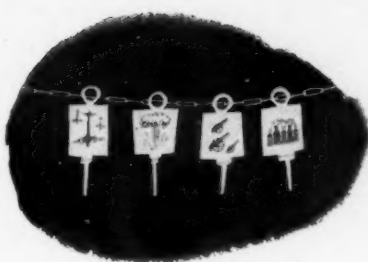


general, of the trade unions. A new shop-steward law cut the rights of union representatives in the plants to a minimum.

In November, a new Czech-Soviet trade agreement increased the Russian share of Czech exports from about sixty to about eighty per cent. Soviet Foreign Trade Minister Anastasi Mikoyan, chief of the Mutual Assistance Organization, the Soviet "counterpart" of the Marshall Plan, took full control of the Czech import industries. The Prague government, deprived of its foreign-exchange income, became dependent on imports of most raw materials and grain from the Soviet Union.

### The New Strong Man

The secretary-general of the Communist Party, Rudolf Slánsky, is the strong man emerging from the liquidation of the old Czechoslovakian Communist Party. This slightly built red-head, the only Jew in the top ranks of Czech Communism, has been the rising power behind the satellite throne since 1947. He was the organizer of the guards who forced Benes' hand in the spring of 1948 and most probably was involved in Jan Masaryk's alleged suicide. Since then he has become the real master of the Czech secret police and one of the branch directors



of the widespread underground network of the Cominform, which furnishes funds and arms to the Communists in the capitalist countries. He is another typical Stalinist gauleiter, like Ulbricht in Germany and Chervenkov in Bulgaria.

What will be the last step in the final integration of the satellites? Will formal incorporation occur? Constitutional provisions for incorporation have existed for a long time in the Soviet federal constitution. The amendment of February 1, 1944, which gave individual Soviet republics the right to have their own armies and their own foreign representation, was understood as a preparatory move toward future incorporation as European Soviet republics. Stalin's abrupt prohibition of further discussion about a Balkan Federation in 1948 gave rise to assumptions in that direction.

The Kremlin has so far carefully

avoided any public indication of the final solution of the satellite problem. However, a further step toward the incorporation of the satellites may be in the making. Stalin has always liked the thunderbolt technique in preparing final decisions. Some observers believe that the riddle of the nonpublication of the fifth Five-Year Plan, generally expected for the March session of the Supreme Soviet, will find its solution in the announcement of a Soviet Empire Five-Year Plan, which would be the last step prior to the incorporation of Czechoslovakia, Poland, Romania, Hungary, and Bulgaria into the Soviet Motherland.

However, as we have seen, Stalin may be satisfied that he is gaining his ends without abandoning the fiction that the satellites are separate countries, as he would through outright incorporation. This fiction, however illusory, is respected by the western powers. Stalin evidently prizes satellite support in the United Nations as a propaganda weapon at least.

Whichever method Stalin adopts, whether it be incorporation or a continuation of forced industrialization plus purges, it is probable that Soviet integration policy will not stop until the satellites are completely controlled, for all political and economic purposes, by the Soviet Union. #



# The People Nobody Wants

*After two centuries of making trouble and five of taking it, a handful of Mongols find themselves 'undesirable' D.P.s*

BLAKE EHRLICH

IN THE IRO Displaced Persons camp at Ingolstadt, Germany, live about seven hundred Mongols. Only physically do they resemble the Children of the Sun, Keepers of the Winds, and Rulers of the Earth who once had almost the entire known world as their back yard. And now—wards of western charity—these Mongols, or Kalmucks, have no place to go. By early 1952 there will be no IRO Displaced Persons camp at Ingolstadt or anywhere else.

Having come to the end of its budget—\$406 million in four years—and its allotted span of official life, the United Nations International Refugee Organization is closing its books. Having found new homes and new lives for about a million displaced persons (at around three hundred dollars a person—the greatest bargain in modern social history), the organization will cease to exist. In spite of all the barriers it had to clear—prejudice, red tape, stupidity, and waste—the IRO has completed an incredible task.

That is, almost completed it. In closing its books, the IRO finds some figures not yet checked off.

These undisposed-of items on the ledger, including the Kalmucks, are what the IRO calls the "hard core," an apparently indissoluble clot of unwanted humanity. At this writing, there are still no plans for these people.

## The Ghost of Genghis Khan

The Kalmucks are just what countries seeking immigrants have asked for—strong, skilled, and determined people—but nobody wants them. A short time ago, having added Spanish to the many languages they speak, they were ready to leave for Paraguay, where the government had set aside an entire little



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## A Mongol warrior

valley where they could put down roots. But in Paraguay there began a venomous whispering campaign, invoking the terrors of Genghis Khan, and presently the press joined in denouncing this "government trick." The hand that had been poised to sign the official document wavered, and then—with regret, of course—withdraw.

From the stately pleasure dome of the Khans that Coleridge wrote about, the Kalmucks have truly come down to a sunless sea. Their history of troubles goes back seven hundred and fifty years: two centuries of making trouble and five centuries of taking it.

In the space of thirty years, from 1211 to 1241, the Mongols swarmed over the Asian and European continents from the Yellow Sea to the Adriatic and Baltic. Under Genghis Khan they took China in two years,

then Turkestan, Persia, and northern India. Then they swept on to the Donetz Basin. Nothing withstood their legions because, exploiting their unparalleled mobility, they never closed with an enemy unless they were sure of winning.

Swift and silent, which no other armies were at the time, they literally demolished the best troops Europe could gather, and after the death of Genghis Khan in 1227, they continued under his son Ogadai, taking Moscow, then Poland and Silesia. One chronicler wrote that the defenders of Europe "fell to right and left like the leaves of winter." In 1241 they conquered Hungary, destroying an army of seventy thousand in one battle. Their heavy reconnaissance patrols pushed right to the gates of Vienna, but on orders from home the Mongols gradually retired eastward. Under Kublai Khan they adopted Buddhism and accepted the Tibetan system of Dalai Lamas or "living Buddhas," which some historians believe was devised by Kublai himself.

## The Pushing Around Begins

With Kublai's death in 1294, Mongol fortunes waned. The Mings reclaimed China, and the Kalmucks set up their own empire in northeast Asia, out of which they swooped a hundred years later to capture the Chinese emperor, only to release him in exchange for being allowed to go back to Mongolia. Hunted and harried by the Manchus, the Kalmucks headed west again, this time as refugees, not conquerors, and they've been displaced persons ever since, residents of many lands, but citizens of none. Huge colonies of them settled at the mouths of the Don, the Volga, and the Dnieper in Russia. Since the refugees were superior horse



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and cattle breeders, the Czars allowed them to live unmolested under their own khans for another century. Then Peter the Great and Catherine the Great began to push the Mongols around a bit. Unable to come to any terms they considered satisfactory, the Mongols packed and headed for home in 1771. The tribes west of the Volga, mostly Kalmucks, trapped by roaring spring floods, were unable to join the exodus. Only a handful of the main body, which went on without them, reached Mongolia.

Catherine, to make amends, offered the Kalmucks full citizenship, and her successors had cause to be glad, because the Kalmucks, along with the Cossacks, contributed a great deal toward making the short stay of Napoleon in Russia as uncomfortable as possible. By 1917 there were more than 400,000 Kalmucks, rich, proud, brave livestockmen, and the collectiv-ist call of the Soviets left them cold. Once more they joined with the Cossacks and fought, and this time they lost seventy per cent of their males.

This is how the between-war years were sketched in by Dr. Sansche Stepanov, Czech-educated Kalmuck community leader:

"The cities we had built up were destroyed, our herds stolen, our lamaseries burned, and our priesthood suppressed. In 1920 some fifty to sixty thousand of us, caught at the edge of the Black Sea, were driven into the waters by advancing armies near Novocherkassk. With the help of the British and French governments, five thousand of us got into Turkey, and from there we dispersed all over Europe—Bulgaria, Yugoslavia, Czechoslovakia, and France."

The remnants of the Kalmuck population in Russia were gathered together and put into the Kalmuck Autonomous

Soviet Socialist Republic, but when the Germans invaded, the Kalmucks turned on their Communist masters. So, when the Nazis were broken at Stalingrad, the Kalmuck Republic was wiped out, and the twenty thousand remaining Kalmucks began another march east, this time under Soviet guard.

### Old Songs, Old Ways

The liberated slaves in Germany were given an old army barracks, and they turned it into a model community dwelling. The camp is conspicuously clean for the tragic *iron* circuit, and the Kalmucks themselves, with their gleaming, broad, high-boned faces, look like freshly scrubbed children. Like all D.P.s, they needed pocket money, so they began raising chickens and pigs.

Strumming Orientalized balalaikas, the men sing in booming voices. The songs written on the Russian plains, one hundred or more years old, have a strong Russian influence in the structure and melody, but the really old songs, going back half a millennium, have that monotonous (to western ears) sliding quality of Oriental music.

Even in western clothes, working in a German camp, the Kalmucks are obviously Mongol. Until their dispersal in the Russian Revolution, marriage outside the tribal group was almost unheard of. Now some of the men have Baltic wives.

Reassembled in the faith and language of their ancestors, their Buddha smiling again in his temple (a room in the barracks decorated with holy pictures and prayer lamps), the Kalmucks, riders of the plains and breeders of bold horses, set about learning new tasks to fit them for life in a new country. Perhaps new countries don't need beef or horses. Do they need tailors, X-ray technicians, machinists, farmers, electricians, carpenters, masons, nurses, mechanics and truck drivers, cooks, bakers—cultured people with advanced degrees from fine universities, and also a long fighting history of anti-Communism?

The Kalmucks made themselves ideal recruits for almost any country seeking new citizens. Ideal except—well, they are yellow people. The Kalmucks, on one occasion, presented a humiliating brief to show they weren't as yellow as other yellow peoples. They

were, they claimed, sort of roof-of-the-world Nordics, with folk sagas like the Norse epics, forthright, non-wily natures, and, most pitiable assertion of all—the skin under their clothing was quite white, really. Even this self-debasement moved no nation.

Dr. Stepanov, camp chairman, wrote thousands and thousands of appeals, reports, letters in five languages. He hitched rides around Germany, button-holing committees "shopping" for emigrants. The skills of the Kalmucks multiplied; the homemade gifts on Buddha's altar became more lavish; their linguistic skill increased; the old barracks almost glittered under constant scourings. Dr. Stepanov worked, and the *iron* officials worked with him.

Last year, when the people of Ingolstadt thought that the Kalmucks had found a home in South America, the *Donau Kurier*, the local newspaper, carried a long article lauding the Kalmucks and expressing an odd indignation at what these ex-slaves had suffered since liberation.

"Dr. Stepanov looks like an unyielding rock," the article said, "but sometimes, while he is talking, his right hand pushes under his coat over his heart to meet sudden attacks. That is one of the consequences of the hard struggle he has put up for five long years against the prejudices of the western world."

The eastern world is, of course, closed to them, by choice. Like all others in the hard core, they want to go home, but no one can tell them where home is. They all believe, somehow, that they will find out soon. #

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# Why the H-Bomb?

*One scientist considers its military value dubious and its psychological and political worth even less*

RALPH E. LAPP



**Crossbow**

THE recent tests at Eniwetok were cautiously described by the Atomic Energy Commission and the Department of Defense as including "experiments contributing to thermonuclear weapons research." In laymen's language this meant that the United States was moving closer to the day when it would have the H-bomb. This day is still many months away; certainly it cannot come until the AEC's huge Savannah River plant swings into full-scale operation. But one does not have to wait for the ultimate perfection of the superbomb to assess its military worth.

While it is no more necessary for the layman to know about the internal workings of atomic weapons than it is for a taxi driver to understand the thermodynamics of internal-combustion engines, what is important is that he know about the weapon effects. They are quite predictable for any size H-bomb that might be made.

## What Power?

How big will the H-bomb be in terms of explosive power? Atomic weapons are rated in terms of high-explosive equivalent, that is, the number of tons of TNT which, exploded simultaneously in one place, will produce the same blast effect. The 1945 model A-bombs were rated at about 20,000 tons TNT equivalent, and were commonly called twenty-kiloton bombs (one kiloton equalling a thousand tons). Senator Edwin C. Johnson has revealed that modern A-bombs have "six times the

effectiveness of the bomb that was dropped at Nagasaki," putting the power of the modern bomb at 120 kilotons. Here the writer makes the assumption that the H-bomb can be taken as equivalent to about a million tons of TNT, or, as physicists call it, a one-megaton bomb. This would place the H-bomb at fifty times the power of the 1945 model A-bombs and about ten times that of the 1950 model.

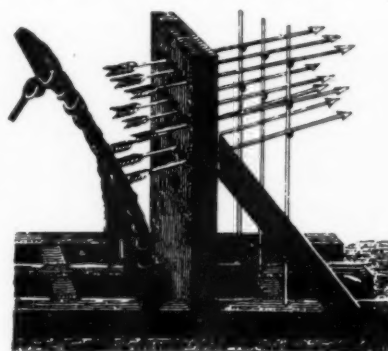
## The Lower Limit

Pinning the H-bomb down to be equivalent to one megaton of TNT may sound very arbitrary. To provide substantiation one has to examine the technology of the H-bomb mechanism, but this can be done in a satisfactory way without compelling the reader to become a nuclear physicist. The basic ingredients of the H-bomb are these: a modern A-bomb to act as a detonator for the H-bomb, an amount of heavy and extra-heavy hydrogen, a means for keeping the H-materials refrigerated, and a means of "maintaining assembly" to keep the bomb together long enough for the hydrogen to react nuclearly. If a one-hundred-kiloton A-bomb is used as the detonator, then it is logical to require that the total explosive power of the H-bomb be significantly greater than that of the incorporated A-bomb. Otherwise there would be no sense in making the H-bomb.

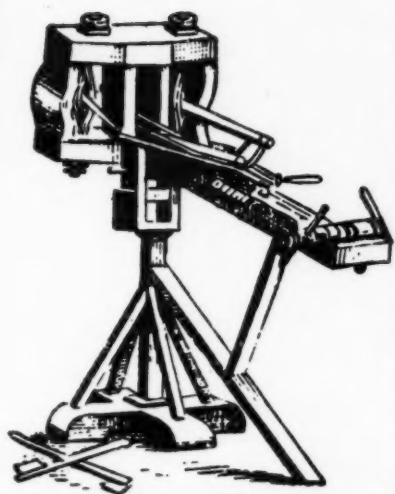
The reason for assuming that the explosive power of the H-bomb should be at least ten times that of the detonating A-bomb is seen in a comparison of the areas of destruction for the two different TNT equivalents. A one-megaton bomb would knock out an area of 120 square miles, whereas a hundred-kiloton A-bomb can destroy twenty-five square miles. If the H-

bomb were only half a megaton it would lay waste seventy square miles. The same damage could be achieved with only two or three A-bombs. Thus we can set a logical lower limit to the size of the H-bomb.

There is an additional and even more compelling argument for demanding a tenfold bigger pay-off from the H-bomb than from its triggering A-bomb. This, again, is rooted in atomic technology, but can be thought of in the following manner. The critical ingredient of the H-bomb is the extra-heavy hydrogen, called tritium, which is itself an artificial element manufactured like the A-bomb material plutonium. In plants such as those in operation at Hanford, Washington, or those being erected on the Savannah, the designers have a choice. They can make either A-bomb material (plutonium) or H-bomb material (tritium). Most importantly, one is made at the expense of the other. Without going into "market values," it should be clear that it would be foolish to use a large quantity of tritium on an H-bomb if it did not produce an explosive effect which justified diverting the production of plutonium to make the tritium.



**Siege catapult**



*Catapulta (Gallie)*

Now let us see what contribution this one-megaton H-bomb makes to our offensive capability—considered simply as our capability of launching strategic blitz attacks on Soviet cities and industrial complexes. Given a selection of Russian targets, the problem is one of determining how many H-bombs would saturate the target areas versus the number of A-bombs needed to do the same job.

### The Upper Limit

This analysis will be confined to the first twenty prime targets in the U.S.S.R. Areas for targets lower on the priority list are incompatible with the use of an H-bomb, which would expend its energy uselessly over non-industrialized or unpopulated regions. A target area would be considered knocked out when moderate to severe damage was achieved over sixty per cent of its area. On this basis forty-six modern A-bombs would be required to knock out the first twenty industrial-urban targets, whereas almost by definition twenty H-bombs could do equivalent damage. There are, however, certain factors which modify the comparison of A- versus H-bombs. If only two or three A-bombs were required to destroy the target, then there would be reasons for using these bombs rather than a single H-bomb. An obvious reason is that military men might prefer to put their eggs in two or three baskets rather than in one, on the assumption that the layout of the target might render it more vulnerable to several well-placed smaller bombs than to one big bomb.

Going back to our previous argument about the economy of bomb material, it is obvious that if the target required only two A-bombs it would make little sense to use a single H-bomb involving proportionately more bomb material. On this basis we could count on the fingers of one hand the number of targets in Russia that would be worth an H-bomb.

Moscow, with its five million inhabitants and governmental activity concentrated in 235 square miles, might suggest itself as target No. 1 for the H-bomb. There are few others.

With these facts in mind we go into the question of the upper limit on the power of the H-weapon. The one-megaton H-bomb would have a destructive area of 120 square miles; this area is already comparable to the knockout area of Soviet target No. 1, so an immediate conclusion would be that no bigger bombs need be considered in our strategic analysis. That bigger H-weapons would be impractical is confirmed by the probability that they would be too massive to squeeze into the bomb bay of a B-36. In the light of these facts it is difficult to reconcile the great emphasis that has been given in the public press to an H-bomb a thousand times more powerful than an A-bomb. You can kill a mouse with a cannon, but few mice are ordinarily killed that way.

### What It Would Mean to Us

The conclusion to be drawn from the foregoing arguments is that the H-bomb, when developed, will not substantially strengthen our military hand. This country already possesses the atomic capability of leveling such a large number of Russian targets that the Air Force must quickly "run out" of H-bomb targets. The H-bomb would merely simplify the problem of bomb delivery so that a single B-36 could do the job of half a dozen B-36s

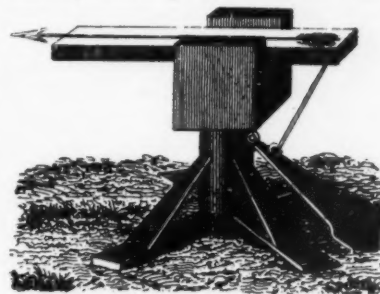


*Gallic stone axes*

armed with A-bombs. Surely this would be more a matter of convenience than military necessity.

One may well ask: "Why is our government developing the H-bomb?" Actually, there was never complete agreement about starting the project. Dr. Robert F. Bacher, former AEC commissioner, has publicly questioned its value. In his opinion, "Quantities of hydrogen bombs will not contribute very much to the security of the United States." This is a strong statement from a mild-mannered physicist who has had access to all the secret reports on the superbomb.

As far as the writer can determine, this country is undertaking the development of the H-bomb for political and psychological rather than purely military reasons. The officials who



*Field catapult*

made the secret decision to build the H-bomb felt that this country had to be able to match weapons with the enemy. There was also the subsurface reasoning that maybe our scientists might prove superior to the Soviet bomb workers and we might have a monopoly on the new weapon. It was also believed that it might prove impossible to make the superbomb at all, and that this in itself would be a very valuable fact for us to know. The Air Force is known to have championed the H-project on the basis that it could not always guarantee the delivery of quantities of atomic weapons under current conditions of defense against bombers. This argument holds little water, considering the small number of H-bomb targets in the U.S.S.R.

### ... and to the Soviets

Now let us look at the other side of the coin and see what the H-bomb would mean to the Soviets. In view of the demonstrated success the Soviets had with the A-bomb, it would be folly not



**Field bow-and-arrow catapult**

to assume that they might also develop the superbomb. Any monopoly this country might achieve would almost certainly be short-lived. And purely from a military angle the superbomb would be a weapon of more advantage to them.

There are primarily two reasons why the bomb would be of more value to the Kremlin than to us. First, the Soviets do not have close-in bases from which to launch attacks upon the continental United States. While they could mount an aerial offensive using long-range bombers of the TU-4 variety, comparatively large numbers of aircraft would be involved if A-bombs were the weapons. The obvious advantage of the H-bomb would be that fewer aircraft would be needed and there would be correspondingly less strain on the Soviet technology and industry.

More important, in the United States the Soviets have the "proper" targets for the H-bomb. According to the 1950 census, fourteen metropolitan areas in the United States contain more than a million people, with a total population of 44 million, or almost thirty per cent of our people. Russian targets, on the other hand, are significantly less populated and industrialized. Accurate census figures are not available from the U.S.S.R., but the top fourteen metropolitan areas there contain less than ten per cent of the total population.

#### **Dispersion vs. Concentration**

Since the German invasion of Soviet soil, there has been a planned policy of dispersion which has already relocated a considerable proportion of essential industry east of the Urals. Ironically, this country apparently learned no les-

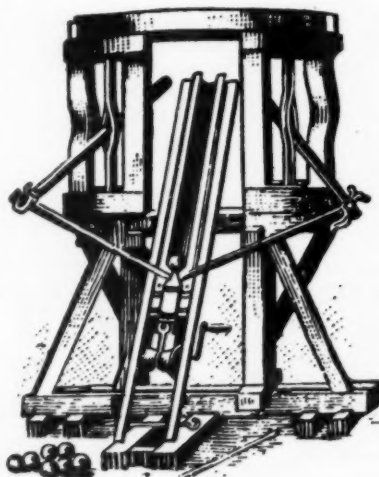
sons from the Second World War. Its industry since the war has been concentrated more than ever. The main body of American industry and the labor force for these plants is so concentrated and vulnerable that it could be eviscerated by a small-scale H-bomb attack. Bombers are expensive and have constantly to be kept up to date, whereas bombs are essentially nonperishable items. On a long-time basis the bomber becomes more important and more expensive than the A-bomb.

Thus it is evident that Russia, not the United States, has the more to gain from the superbomb. Strangely enough, this easily verifiable conclusion has been brushed aside in our zeal to make a bigger bomb. The author will not quarrel with our making the H-bomb, but if we as a nation invest faith in this weapon we are like a man who seeks protection from a thunderstorm by taking cover under a towering tree.

Ironclad secrecy has been invoked to guard our H-project from the prying eyes of Soviet agents. But this secrecy which isolates spies from our H-bomb work also seals off the American people from most official knowledge about the superbomb. As a result, the main stream of public opinion has been channeled into the belief that the H-bomb will be our ace in the hole.

#### **The Dangers**

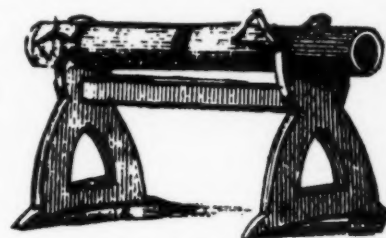
There are two very real dangers in this type of thinking. First, by relying upon superweapons we may be led to neglect the manpower which is so essential to war. People may be blinded



**Ballista**

into believing that weapons are a substitute for soldiers. Such thinking was already apparent in the prolonged Congressional "troops-to-Europe" debate. Second, by concentrating exclusively on the offense, we may overlook the necessity for the defense. Ordinarily, when the military develop a weapon they simultaneously investigate defense against the weapon. For example, when Chemical Warfare Service develops a new war gas, it also strives to perfect protective clothing and masks. Our atomic development has been marked by an almost complete absence of defensive thinking, and it is clear that the policy of secrecy on the H-bomb will inhibit the development of defensive measures. In fact, one of the underlying causes for apathy in civil defense is the fact that the people are paralyzed by the specter of the H-bomb.

Our decision to make the H-bomb



**Early English cannon**

was largely motivated by the reasoning that if Russia could develop the weapon, then we had no choice but to do the same. One might jump to the conclusion that if the A-bomb has been the big stick that has prevented a third world war from erupting in Europe, then the H-bomb, being a much bigger stick, would prove a more effective deterrent to aggression. But as a weapon of propaganda there is a difference between the A-bomb and its big brother. The difference is that the H-bomb is completely nonselective in its action. Whereas the A-bomb might possibly be thought of as a somewhat selective weapon, there is no regarding the H-bomb as anything but a weapon against massed humanity. If our national war aim were to alienate the Russian people from their leaders, it would be most difficult to conceive its attainment by an H-blitz.

In short, we are too prone not to think through, or even attach importance to, national war aims or the winning of a subsequent peace. #





*'Pawns running out . . . I'll try this rook.'*

# The Nanyang Chinese

*Peking's hope and Peking's problem, they may turn out to be the Red régime's 'Sudetens' in Southeast Asia*

HAROLD R. ISAACS

AMONG the "new" facts and problems being blown into our faces by Asian storms, we shall have to count in not only the Chinese in China but the Chinese who live outside China, mainly the ten million or so who live in the countries of Southeast Asia. To those who recall the use Hitler made of the Sudeten Germans of Czechoslovakia, the significance of these Chinese populations in countries neighboring on China will seem fairly obvious. The parallel will not go far. The reality of the problem is infinitely more complex, like everything in Asia in these times. But to think of the Southeast Asian Chinese as potential Sudetens will do for a starter, at least, in explaining why they are important.

The Chinese communities in Southeast Asia range from about 120,000 in the Philippines and 300,000 in Burma to 850,000 in Indo-China, some two million in Indonesia, two and a half million in Siam, and more than two and a half million in Malaya. All together they total about six per cent of the population of the region. In Siam, however, they are about one-sixth of the nation, and in Malaya—chief source of rubber and tin—they are actually the largest single group in the country, outnumbering the Malays in their own land.

But their importance far outweighs their relative numbers. Great masses of these Chinese are humble laborers—on the land, in the mines, and on the plantations. But decisive groups among them also have become over the years an alien middle class inserted between the local populations and their foreign



UNRRA from U.N.

*Hated foreigners—the Chinese*

rulers, gradually acquiring dominant positions in, if not outright control of, the internal trade and transport of most of these countries. The major exception is Burma, where this same role has been played by Indians.

These Chinese populations have for a long time presented vexing problems, filled with the bitter stuff of group hatreds, stereotyped prejudices, political and social discrimination, economic rivalries, and a corroding sense of injury and injustice held, for different reasons, by both the Chinese and the peoples among whom they have lived. These problems existed in varying degrees under the old colonial régimes. During the Japanese occupation, they broke out into rashes of violence. In the upheavals that followed, the Chinese often became the victims of armed nationalists paying off the scores of old prejudices.

Under the nationalist governments, new efforts to restrict Chinese economic enterprise have made old problems more acute. And now they are being fused into the infinitely greater problems created for all Southeast Asia by the existence of Communist China. For the links between the "overseas" Chinese and their homeland have always been strong. The Chinese abroad have always yearned for a government at home that could swing weight in their behalf. They have such a government in Peking now, and it is obviously preparing to swing its weight in Southeast Asia and to use the Chinese communities there in the service of its own expansionist purposes.

To the Chinese, the great agglomera-

tion of lands and seas and islands beyond the southern frontier is encompassed in the single term *Nanyang*, which literally means "Southern Ocean." To those who think of the Chinese as a people who were walled in for centuries, it may come as something of a surprise to discover, in Victor Purcell's new study (*The Chinese in Southeast Asia*, Oxford University Press, \$11.50), that five hundred years ago great Chinese fleets—one of them sixty-two vessels carrying 37,000 soldiers—ranged and raided through the seas of Southeast Asia and into the Indian Ocean, to the outer islands of Oceania in the east and as far west as Ceylon and Aden. Some Chinese communities in Southeast Asia go back to the thirteenth century and even earlier. I remember many years ago seeing a Chinese cemetery on a tiny island at the southern tip of the Philippines with tombs dating back to 1215. In the ascendant days of the Ming Dynasty in China, the court at Peking received from the rulers of Southeast Asian countries rich gifts, which Peking chose to regard as tribute. Indeed, it was in the exchange of gifts and embassies that this early inter-Asian trade had its beginnings, and it had developed to respectable proportions long before the first western freebooters appeared in Asian waters.

### The Great Emigration

Since those distant days, the Nanyang Chinese have passed through many phases and have shared in all the tribulations and upheavals of the foreign wars and conquests and their consequences. While China's greatness faded, the Chinese in Nanyang lived and thrived by their wits and industry, and by their limitless capacity for adaptation, husbanding crumbs from the westerners' tables and building them into great mercantile fortunes, amassing enormous wealth out of all the secondary trades and services which the western rulers found beneath their notice. The rivulets of trade and contact that began to flow in the distant past swelled into great tides of Chinese emigration, however, only within the last hundred years.

Grinding poverty and chronic crisis in the Chinese homeland forced hundreds of thousands of land-hungry men to spill out over the edges of the southern provinces of China. They found



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**'Great masses of these Chinese are humble laborers . . .'**

work as contract laborers in the mines and other enterprises being opened up by the westerners in the lands to the south. The peoples of Malaysia very sensibly did not take to the helotry of the mines and plantations, and the western entrepreneurs welcomed the willing toilers from China. The remittances these men sent home eventually became a major item in the Chinese international balance of payments: Overseas money helped finance the revolutionary movement that burgeoned under Sun Yat-sen forty years ago, overthrowing the Manchu Dynasty and ultimately developing into the Kuomintang Nationalist movement.

Victor Purcell has put into a single heavy volume pretty much all that is known about this long history. Purcell is a onetime British administrator who dealt with the Chinese in Malaya during a long career and then made them his subject of scholarly study, later turning to what he modestly calls a "survey" of the Chinese in all Southeast Asia. He has assembled and sifted a great accumulation of material and added to it his own considerable knowledge. Other scholars will undoubtedly find things to quarrel with him about, both in matters of fact and interpretation. Purcell himself calls attention to many facets of the subject that are badly in need of further investigation. But it seems safe to say that as the

Nanyang Chinese grow in importance in our current history and in the coming years, *The Chinese in Southeast Asia* will be thumbed through and studied with increasing urgency.

### On the Fence

In a postscript added after a three-month tour of the area late in 1950, Purcell gives additional information on the initial effects among the Nanyang Chinese of the advent of the Communist dictatorship in China. The wealthier groups among them have been torn between their desire for a "strong" government at home and their fear of Communist leveling. Some of them have thrown in their lot with the new régime. Tan Kah Kee, a Singapore millionaire, is a member of Peking's special committee for the Nanyang Chinese. On the other hand, after an initial spurt of enthusiasm, the further development of the heavy-handed dictatorship in China has given these Chinese pause, and most of them are sitting now where they have always sat in times of angry conflict—on the fence, waiting to see which side to fall on. At the same time, Chinese Communist movements overseas have drawn inspiration, encouragement, and aid from home, especially in the two countries where the Chinese are the most significant, Siam and Malaya. In Malaya, the Communist movement that has been



waging a guerrilla war since 1948 is a purely Chinese movement.

The Peking régime did not waste much time in taking steps to win the allegiance of its overseas citizens. In a recent detailed report of an investigation made in 1950, William Skinner of Cornell University has described how the Communists have attempted to quiet the fears of the Nanyang capitalists by special measures protecting their remittances to their families in China, by setting up several bureaus to look after the interests of thousands of penniless repatriates shipped out of Malaya by the British as a security measure in the guerrilla war, and by words and deeds designed to show that the new Chinese government would no longer tolerate the "abuse" of its nationals abroad.

Peking has already attempted to intervene directly in the Malaya imbroglio by proposing to send a "committee of investigation." Its embassy in Indonesia is busily engaged in organizing the entire Chinese community in that country solidly behind the Chinese Communist régime. There is no lack of straws in the wind indicating a concerted effort by Peking to use the Chinese populations to the south as a lever in imposing its influence throughout the region.

### The Unloved Chinese

This course of action promises many a future headache for both the West and the non-Communist nationalists in Southeast Asia. But it is pocked with pitfalls for the Chinese Communists as well. They are going to have to strike a delicate and difficult balance between using their own Chinese nationals as tools and assisting the development of the indigenous local Communist movements. This is not going to be easy because in most Southeast Asian countries the natives, including most of the local Communists, in general hate and fear the local Chinese. Anti-Chinese measures are an essential feature of most nationalist programs.

In the armed conflicts that have been going on in the Philippines and Indo-China and, until recently, in Indonesia, the Chinese were considered fair prey by all sides. In the Philippines, for example, the local Communist guerrillas, the Hukbalahaps, exploited anti-Chinese feeling among Filipinos as a deliberate matter of policy. Whenever



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*'... on the land, in the mines, and on the plantations...'*

they would raid a town, they would leave Filipino shops and stores scrupulously alone, and confine their looting to the local Chinese shops, an activity in which they could be sure of an appreciative local audience, not to say ready helpers.

A lack of appreciation for the depth and intensity of this anti-Chinese prejudice tripped up one American propaganda effort in the Philippines last year. The story illustrates the twists of attitudes of which we have to be aware. The piece of propaganda in this case was a cartoon strip about the Chinese Communists. First it showed them before they gained power, making glowing promises to win popular support. Then it showed them in power, with Communist commissars and soldiers brutally mistreating the people. This was supposed to remind Filipinos to be properly skeptical of Communist promises. But, to the dismay of the American propagandists, such was not at all the reaction. Filipinos studied the strip, and when they came to the pictures of Chinese being booted around or shot, they broke into delighted smiles. The spectacle of Chinese getting hurt far outweighed in reader interest the earnest lesson about the nature of Communist promises.

### Peking's Problem

The complex of their own local feeling against the Chinese and their fear of being overwhelmed by the Chinese Communist colossus is a factor in the thinking of Southeast Asian Communists as well. In Indo-China, which

borders on China, the antipathy to the Chinese is especially intense and it is certainly shared by the masses who follow the Communist-led Viet Minh movement. Ho Chi Minh and his cohorts are naturally interested in getting support from their big brothers across the border. But it is equally certain that they do not want too much support and are anxious to preserve a maximal degree of independence within the Communist orbit.

Peking's strategy in such situations will doubtless be determined by the specific relationship of forces in any particular country. Where the local Communists are the stronger force and therefore better able to serve Communist purposes, the local Chinese population's interests will be given second priority in Peking's thinking. Where the Chinese community itself seems to offer the better lever, Peking will not hesitate to yoke the local Communists to the tactics indicated by such a choice. This is not going to be easy or simple for the Peking strategists, no matter how skilled they are, especially in the years just ahead, when the purpose will still be the conquest of power or influence. A totalitarian dictatorship, as the Russians have demonstrated, tends to grow less and less subtle as its power increases.

The qualities of arrogance and reliance on force rather than on persuasion or negotiation are already quite apparent in Peking. They are certain to set up currents of sullen resentment, if not outright resistance, among the Southeast Asian Communists who will

suffer as a result. It is not difficult to imagine a time when Communist purges in Southeast Asia will be based on degrees of subservience to Peking, just as purges in the Communist Parties of Europe have been based upon screening out all who do not give absolute fealty to Moscow.

### The New Shape of Asia

But the fate and further history of the ten million Nanyang Chinese cannot be adequately seen only within the narrow compass of current conflicts and pressures. They have become a factor, one of many, in the great and convulsive process of Asian transformation. The promise of Chinese power, fore-

shadowed by the great fleets that ranged the southern seas five centuries ago, may only now have reached the eve of fulfillment. The shape of Asia was for long centuries a product of the shifting tides of Hindu and Chinese civilizations, into which Islam and then the West intruded. The interlude of western domination lasted for about three centuries and has now given way to the beginnings of a new parallelogram of forces and the forming of some new synthesis.

The emergence of a revived Chinese power in the form of a new Communist totalitarian dictatorship can have the darkest implications for Asia and for the rest of the world for a long time to

come. But, as Purcell points out, the fulcrum of change in Asia remains the revolutionary notions of democratic representative government and modern science which the West, almost despite itself, introduced into the sluggish stream of Asian history. The basic vitality of this contribution may yet offset the threat of totalitarianism, which is, after all, only a desperate expedient in the face of overwhelming pressures. The ultimate role of the Chinese, both in China and overseas, in this great historic process has by no means been firmly fixed by the consolidation of Communist power in Peking. The changes we are to see have just begun. #

# Free Labor—Conscience of the West

*'Anti-Communism in itself cannot be a philosophy of life or a guide to action'*

VICTOR REUTHER

*As CIO representative in Europe, Victor Reuther will attend the world-wide convention of the ICFTU to be held in Milan starting July 4.*

MANY who in the past have been indifferent or unfriendly to the labor movement and to the aspirations of working men and women are today making the easy assumption that the only important purpose of that movement is to resist Communism.

Free labor, according to this view, exists to provide trade-union shock troops in the world civil war and to accommodate itself gracefully to the various strategic requirements of that struggle. According to this view also, the International Confederation of Free Trade Unions (ICFTU) should become and remain the western counterpart of the Soviet-dominated World Federation of Trade Unions.

The Communist threat not only at-

tacks the outer defenses of democracy but also undermines its inner fabric, its institutions, its morale. And so it is imperative in the struggle against the internal aggression of Communism that we maintain the health and vitality of our social and economic institutions.

It is the primary responsibility of the labor movement to attend to the state of health of democratic institutions. Free labor is most characteristically not the salesman, but the conscience, of democracy. And democracy's conscience is guilty in proportion to its failure to heed the inner promptings emanating from the organized movement of working men and women.

Trade-unionists belonging to the ICFTU affiliates do not have to be lectured on the immediate and fundamental importance of resisting Communist totalitarianism. Rather they ask for greater awareness on the part of

other elements in the western community of the actions that must be undertaken in the economic and social fields to assure a successful defense of democratic values.

Democracy in the crisis countries of western Europe is unsure of itself in the face of potential aggression from without and actual aggression from within because social and economic justice have not been granted the working people, particularly in France and Italy. That is the truth which Communism exploits and which we of the West must reckon with. It is in this area that the solidarity of free labor must express itself in what American unionists call bread-and-butter terms.

### The Greater Stakes

The totalitarian threat has imposed new obligations on free labor, but it has not changed the nature of unionism,



and it has not given the general run of employers greater vision. It has meant that the movement for social and economic betterment is more rather than less crucial, since the stakes have become the peace and survival of the free world.

Communism in the trade-union field represents a social threat. Stalinism in the labor movement feeds upon social injustice in the national community. It exploits the worker's sense of grievance, makes irresponsible claims that it knows cannot be satisfied, and accumulates resentment and frustration as a manufacturer accumulates profits, ready to invest them in the next phase of the campaign to tear the western societies apart.

The free labor movement adds to this fund of bitterness when it neglects its own decisive role in the social struggle in order to act as foil to the Stalinists. If the resources of a union are meager and too many of them are given to the negative game of countering Communist maneuvers, the union will fail to acquit itself well enough in its proper domain to win and hold the allegiance of the workers.

In such situations, where unions are bleeding away their substance in daily holding actions against the encroachments of Stalinist labor, the ICFTU can find the ground for its own most fruitful activity. If free labor is to be the untrammelled conscience of the West, then the ICFTU must be the organized will that gives that conscience voice and vigor in the realm of social and economic action.

It has often been said that the largest union in the crisis countries of western Europe is the union of the unorganized. The unorganized workers in France and Italy cannot be brought into the

ranks of free trade-unionism only by a program of anti-Communism—not because the workers are Communists, but because their most pressing personal problems require a more comprehensive attack than has so far been made. The ICFTU must find the means to launch that attack.

Some argue that to pursue labor's traditional aims in the present world crisis is to create unwarranted tension within the western economies at a time when all groups should be pulling together. But a serious social tension already exists in the western nations between labor and the employing classes. This tension will not be resolved merely by a decision on the part of the free labor movement to lie down like a lamb with lions of economic power and social privilege. Such a decision will aggravate the tension, because it will leave the Stalinists in uncontested control of the field of social and economic reform. It must also be said that while in principle all groups should be pulling together, it is not self-evident that they should be pulling in the direction chosen by the owners and employers. The social struggle in Europe is a real one, even though its outcome seems less predictable than was once assumed. Since Communism loudly and tirelessly offers a false resolution of this struggle—and with more than a negligible degree of success—it will not do for the western societies to offer an equally false solution: that of huddling together and standing still in the name of patriotism.

#### After ECA

It is because the nature and conditions of freedom and democracy have not been defined or demonstrated to the satisfaction of the masses of people in

western Europe that the peddlers of false solutions to the social struggle have enjoyed such success in the twentieth century. A very large part of the defense of democracy against totalitarianism therefore must be an ambitious and unrelenting effort by the West to enrich the meaning and elaborate the practice of democracy, particularly in the industrial sphere, where private power has run to intolerable abuse.

The western world, then, needs a greater measure of industrial democracy, which is not at all the same thing as industrial recovery, its indispensable base. Free labor has supported the European Recovery Program made possible by the United States. It has just as wisely understood that an economic-aid program of limited duration cannot rightly be considered a substitute for those economic and social changes which western Europe needs in order to achieve a new level of industrial democracy.

The Marshall Plan, seen in the perspective of the three years of its operation, must be regarded as something less than both its friends and enemies have usually claimed. It had the limited but important objective of putting Europe back on its feet in a shorter time than the Europeans could have accomplished the job.

That limited but basic task has been largely accomplished. Now a more significant and difficult task remains. The patient is back on his feet. Down what road shall those feet now take him? The Marshall Plan, it should be said, has offered only a partial answer.

The Marshall Plan has had a considerable success in restoring the "normal" productive mechanism of western Europe. But since everybody, from one end of the political spectrum to the other in Europe, has felt that the normal productive mechanism of Europe is inadequate, the Europeans are still left with the question, "What shall we do with our productive mechanism?"

The answer given by the Marshall Planners has been, "Make your productive mechanism more efficient." It is certainly true that Europe's gross national product is inadequate to support a decent standard of living, even were it divided more equitably, simply because European productivity is three or four times lower than that of the United States. But the European econ-



omy's inefficiency is merely an aspect of the wider and deeper and more stubborn inefficiency of the European social system.

### The Charmed Circle

The European manufacturer is much more than an economic man. He is a social phenomenon whose lack of vision has shocked even his counterparts in the United States. The European manufacturer enjoys a rich supply of cheap labor, a most comfortable profit margin, and a system of protected markets and prices accommodated to the requirements of the least efficient member of the charmed circle. No amount of exhortation from his American friends will give him the incentive to change his ways. Even in those cases where American experience has excited a desire on the part of the European employer to operate his plant more rationally, the European employer looks upon rationalization as a cost-cutting device, not as a step toward opening wider markets through lower prices and higher wages.

The pressures of an economy girding itself for defense production only aggravate this problem. It is an old one, and the answer of the Americans is an inadequate answer because European workers will not trust European employers with the conduct of a campaign that begins with cost cutting and ends with men out of work.

It must be said to our credit that we Americans have stated quite bluntly that no productivity campaign can succeed without organized labor's participation. But such a well-intentioned statement of principle cannot eliminate in a month or a year the rankling quarrel in Europe over the social sponsorship of a productivity campaign. In this quarrel, the non-Communist unions of the crisis countries lead from weakness rather than from strength. They cannot afford to play the employer's game, and productivity remains the employer's game as long as the labor movement is not secure at the plant level as the collective-bargaining agent of a majority of the workers. And thus a weak labor movement means that Europe is doomed to stall somewhere at the margin of "normal" recovery instead of moving vigorously and confidently down the road toward economic democracy.

It is at this juncture that the soli-

darity of free labor, organized in the ICFTU, brings its great potential to bear. There is another aspect of the American experience that can be as instructive to Europeans as the American technical achievements: the role of a militant labor movement in creating higher living standards.

If the ICFTU can spearhead the organization of the workers of western Europe who are today outside the ranks of unionism, the inefficient European employer will be faced with a force that has not hitherto been a factor in his calculations. And if this vast organized force of working men and women lays down a demand for decent wage levels, the European employer will have no choice but to abandon his economically and socially wasteful approach to production. The American labor movement has performed that wholesome role in American society. As American labor became the most expensive labor in the world, the American employer became the most efficient employer in the world, in his efforts to ride the mounting pressures of the American economy.

An ICFTU drive to organize the unorganized in Europe could be the greatest single blow ever struck against the social inequities and economic inefficiencies that offer totalitarianism, its breeding ground.

We are living in a time of permanent crisis. Today, or years or decades hence, anti-Communism in itself cannot be a philosophy of life or a guide to action. It is only the negative aspect of our permanent task: not only to keep democracy alive but to make democracy a living reality for all. #



## Love in France

*A recent Parisian forum reveals that its adherents there are getting fewer*

MADELEINE CHAPSAL

How is love getting along in France these days? A magazine called *La Nef* has put the question to a number of "specialists"—not, of course, the real specialists, who are men and women in love and consequently unavailable for questioning, but an ill-assorted collection of professionals who thrive indirectly on the emotions of others.

The magazine has consulted some novelists, like André Maurois, who has studied the subject for decades; and perhaps to get a fresher view, Maurice Druon, who won the Goncourt literary prize in 1948. *La Nef* has also recruited a gland specialist, Gilbert Debrize, and a gynecologist, Henri Mondor. Marcelle Auclair, the lady who adapted the American formula for women's magazines to French taste, has spoken her mind, and so have a radio-advice peddler, André Gillois, and a lawyer, Vincent de Moro-Giafferi, who has often persuaded juries that his clients owed their misfortune to the subject under consideration.

### Happiness and Hormones

Opening this colorful forum, two writers, Jean Duché and Maurice Toesca, present the traditional view: "Love is that which binds a man and a woman in marriage and merges two destinies forever; outside this relationship no happiness exists." They are contradicted at once by Dr. Debrize: "Love is a question of hormones," any insufficiency or excess of which can be



remedied by the doctor's needle. The novelist Jacques Audiberti seconds the motion: "It seems correct to say that there is nothing else but physical love."

André Maurois lets the hero of one of his early novels, *Les Discours du Docteur O'Grady*, speak for him: "Straight eroticism is flatly monotonous and its vocabulary greatly limited. When eroticism reappears in writing after a puritanical interval, the reader at first is pleasantly excited. But after three years he is bored and after five furiously resentful." Maurois concludes that the time is near when we shall again walk in the gardens of romanticism, seeking the little blue flower of happiness.

Marcelle Auclair thinks sentimentality is upon us already: "I admit that I did wrong in importing from America the advice-to-the-lovelorn formula. Girls who read these confessions in cheap magazines live in a completely artificial world. What is worse, the morose pleasure they take in confiding their troubles leads them to complicate them even more. The magazines can only give them perfunctory, conformist, and pernicious answers, advising them always to forgive their fiancés, telling them there is always a happy ending—in marriage."

### Milquetoasts into Madmen

Moro-Giafferi sticks to his trade: Love, he says, causes most crimes. It transforms milquetoasts into madmen bent on murder. He produces an anecdote about one of his clients, who had wounded his wife in a fit of jealousy and was asking how she was: "If she is still alive, I will kill her; if she is dead, I will kill myself."

Is love only a word? André Beucler answers "*Parlez-moi d'amour*," and affirms that love is created entirely through language. The phrasing

changes with the centuries, but ever since Adam spoke to Eve, it is through the ear that man has won his woman. "In love, as in politics," Beucler remarks, "one has to talk and talk and talk."

Bertrand de la Salle agrees. Literature creates the laws of love: "Literature's mission is to civilize love." André Gillois, radio consultant on love and obviously in a position to know, writes: "I have a program called 'Cases of Conscience,' and most of the cases brought me seem to come straight out of novels written half a century ago. In 1950 people react as if they were characters in Zola or Balzac or comedy figures in Labiche. In 1970 they will probably be bringing my successor the problems that now are in Malraux's novels or Sartre's."

Some contributors to the forum think love is doomed in the totalitarian societies of the future, because of all emotions it is the most individualistic. They quote somebody who said: "There will be no more love then but, in all the world, nothing but erotic acts performed at random and sadly."

Without being so pessimistic or believing that a period of turmoil means the death of love, it is impossible not to admit that the relationship between men and women is changing more and more noticeably in Europe. Maurice Druon flatly asserts: "Love is a business." Since economic laws affect all trade and change with the changing times, it may be necessary, he believes, to change or amend the laws that govern love.

He goes on to say that the Church and all societies avid of power enjoin people to "Increase and multiply." But we are constantly being warned that the earth is overpopulated and that a certain amount of birth control is advisable. American authorities in Japan have been accused of favoring its use in that country. Certain Catholic periodicals have recently emphasized the idea of voluntary continence.

Birth control, Druon goes on, for long seemed Utopian; for Catholics it is still a sin; in plain fact, however, it is becoming more and more effective and its use widespread. In France, he says, prevention and abortion will certainly be legalized if only to remedy the evils brought about by their present illegal and clandestine use.

Druon concludes that a distinction

between love and procreation will automatically increase the freedom of the parents' union. The family cell existed to fulfill the needs of more primitive civilizations. In the modern world the couple is no longer needed; the individual can exist by himself. Already the concept of the family unit, which used to include even the second cousin twice removed, is obsolete. No doubt, he says, the concept of the couple itself will vanish, as did those of the tribe and the clan.

Druon's views may appear somewhat startling, but what about the men and women of the present who go from divorce to divorce? Is it really useful to call them "married"? They may not be the most solid elements in today's society, but undeniably they are its products. It is society and its laws that permit them to act as individuals; it is the technical facilities of our times that permit these individuals to live so easily as sentimental vagabonds.

### Has Love a Future?

Since so many participants in this forum do not believe even in love's existence, it is rather hard to agree as to its future. But at least our times have found the answer to the question "What is the use of love?" Psychoanalysis, which, whether or not one likes the fact, is more and more widely prevalent as therapy for the disorders of the human person, has taken love apart and discovered that love and psychoanalysis pursue the same aim: the strengthening of man's self. In psychoanalysis the patient transfers his attention to the analyst. In life, certain persons transfer with the utmost concentration their attention to certain other persons—and then people say they're in love. Love is the primitive, enduring therapy of nature. #



## The North Polar Projection



Greenland's position in the defense of the Arctic perimeter (see page 21)



# ★

## Medal of Honor



Private First Class Melvin Brown, of Mahaffey, Pennsylvania—Medal of Honor for valor in action near Kasan, Korea, September 4, 1950. Stubbornly holding an advanced position atop a wall, Pfc. Brown stood off attacking North Koreans until all his rifle ammunition and grenades were gone. When last seen he was still fighting—with only an entrenching shovel for a weapon—rather than give up an inch of ground.

Never forget the devotion of Melvin Brown!

Now, this very day, you can help make safer the land he served so far "above and beyond the call of duty." Whoever you are, wherever you are, you can begin buying more . . . and more . . . and more United States Defense\* Bonds. For every time you buy a bond you're helping keep solid and stable and strong the country for which Private Brown gave everything he had.

And remember that *strength* for America can mean *peace* for America—so that boys like Melvin Brown may never have to fight again.

For the sake of Private Melvin Brown and all our servicemen—for your own boy—buy more United States Defense Bonds now. Defense is your job, too!

Remember that when you're buying bonds for national defense, you're also building a personal reserve of cash savings. So go to your company's pay office—now—and sign up to buy Defense Bonds through the Payroll Savings Plan. Don't forget that now every United States Series E Bond you

own automatically goes on earning interest for 20 years from date of purchase instead of 10 years as before. This means, for example, that a Bond you bought for \$18.75 can return you not just \$25 but as much as \$33.33! For your country's security, and your own, buy U. S. Defense Bonds now!

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